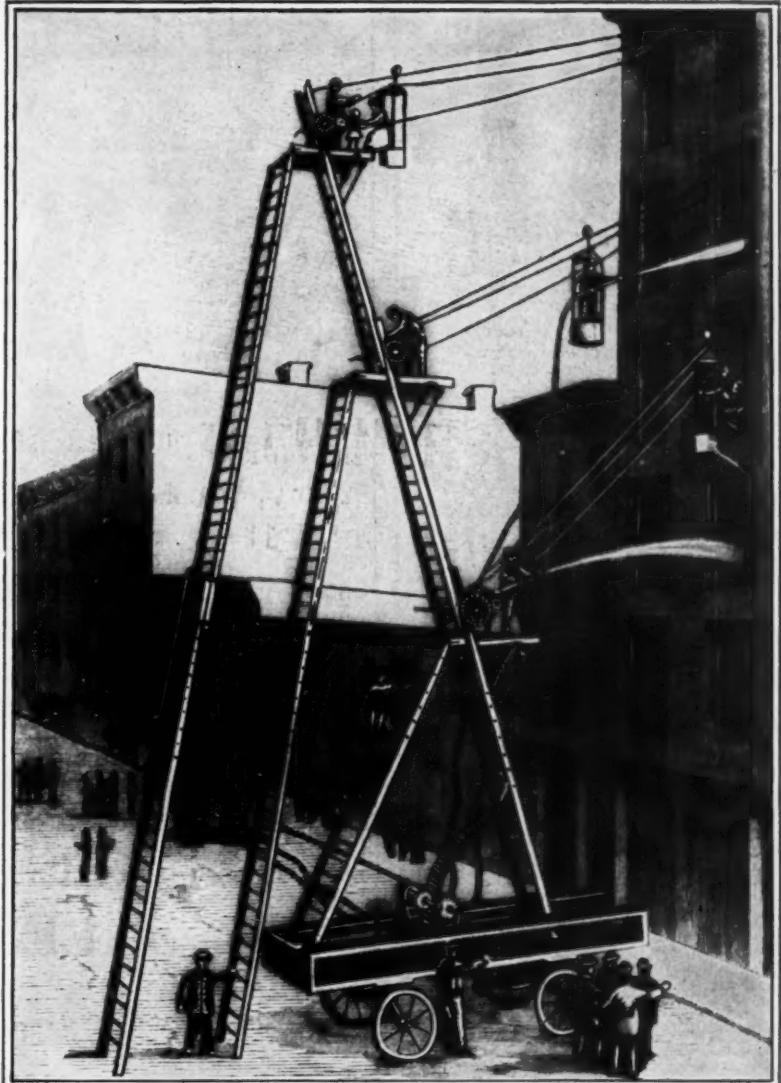


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THURSDAY, JANUARY 27, 1949

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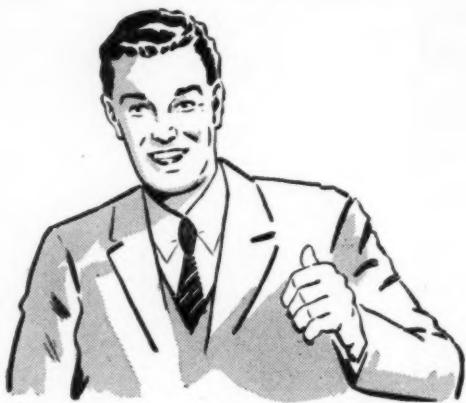
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## Pa. Calls Hearing on Rate Deviation Filing of 15%

Much Supporting  
Data Requested by  
Malone—Session Jan. 31

HARRISBURG, PA.—A hearing on the 15% fire insurance rate deviation filing of North America for various classes of business in three areas of Pennsylvania has been scheduled by Commissioner Malone for the morning of Jan. 31, in the offices of the insurance department here.

In calling the hearing Mr. Malone pointed out that this is the first deviation filed under the state's new rate regulatory laws which went into effect Jan. 1, 1948 and declared that "it presents many problems, the solution of which will have far reaching effect on the fire insurance business and the insuring public."

Mr. Malone at the same time called on North America to furnish additional information at the hearing in support of its rate cut proposal.

### Commission Angle Cited

The fact that the proposed rate cut is "based on a reduction in agents' commissions" was also cited by Mr. Malone as bringing protests from "persons in the business."

The areas affected by the projected deviation are Philadelphia, suburban Philadelphia, and Allegheny county, including Pittsburgh.

"I feel that further exploration of the filing is necessary to enable me to act on it to the best interest of the public," Mr. Malone said. "The department is interested in learning whether the proposed reductions should apply to other classes of fire insurance sold by the company in the areas covered by the filing. We also want to learn whether it should apply to all classes throughout the commonwealth."

Mr. Malone further declared that "the department has received expressions from persons in the business to the effect that the filing should not be approved because it is based on a reduction in agents' commissions which was made by the company during the year."

"There has also been communicated to me by other companies, some doubt as to whether the filing should be approved in its present form. I feel that Ins. Co. of North America, which has expressed a desire to reduce costs to the consumer in these days of mounting prices, should have an opportunity to answer any objections any branch of the industry or the public might have to the filing."

"While it is not mandatory under the act the department hold a hearing on this filing, I feel it is of such importance to the insuring public that the problems presented can best be solved by holding a hearing, where everybody interested can appear and present any views they may have."

In his letter of notification of the hearing Mr. Malone listed the following matters to be considered by the department at the hearing:

Whether or not the proposed deviation sufficiently reduces rates.

Whether or not the proposed deviation is unfairly discriminatory in that it

## Gives Counsel on How to Compete with Direct Writer

BOSTON—There are only two ways in which the broker can successfully compete with the direct writing insurer, John Adam, Jr., resident secretary at Boston for Central Manufacturers Mutual, told Insurance Brokers Assn. of Massachusetts at its meeting here.

One method is to out-price the direct writer, and something along this line can be done with the graded commission sale. Premiums of Liberty Mutual and United Mutual a generation ago were approximately \$2,670,000 but in 1947 totaled in Massachusetts alone \$21,240,000, an increase of 795%. At a 10% commission rate, this would have represented an additional \$4,600 in commission to every member of Insurance Brokers Assn. of Massachusetts.

The second method of meeting such competition, Mr. Adam likes better, that is to outsell direct writers. Real merchandising has been a great weakness in the general insurance business. Not one broker in 10 has received any sales training unless he came up through life insurance. Successful selling results from work, knowledge and sales technique, he said.

### Organize Day's Work

In his acquaintance with brokers, and he knows at least 500, he said, only a handful completely organize their day's work ahead of time. Yet most of them could get at least another hour every day for new business by doing this.

Knowledge represents a tremendous field for increasing income and beating competition, he declared. Recently he asked 100 brokers, "What is additional living expense insurance?" Only 14 knew. Of the others, after he explained it to them, 54 believed they could sell the coverage to some of their customers. Thus 54 brokers out of 100 had customers who needed the coverage but who had not been sold because the broker was not informed.

Recently Mr. Adams and a broker solicited a food manufacturer with annual fire and casualty premiums of more than \$4,500. Though he shipped products over the country by railroad and motor truck, his broker had never suggested transportation insurance. A week after the solicitation, a truck load overturned and a loss of about \$1,500 resulted. Now the manufacturer has a transportation policy and Mr. Adam's broker has a new account which, including the transit premium, pays him an annual commission of \$763.

### Must Keep Up Changes

It is difficult to keep up with all the lines of insurance and the changes that occur in them, "but if you are going to compete successfully, either you individually, your association, or your company will be forced to find some way to keep you better informed about your product," he asserted.

Several men from Boston earn the Chartered Life Underwriter designation each year, but not a single general insurance broker in Boston is a C.P.C.U. Why? Mr. Adam believes it is because life men know that people don't buy life insurance, they have to be sold. He thinks 1948 was the turning point in fire and casualty, that business will be easier to place and harder to sell from here on out. The successful broker will do more selling and the public less buying. The best salesman is going to be the best paid producer.

The sale breaks down into approach, demonstration and close, and the main objective of the approach is to get favorable attention at the outset. The presentation is to dramatize the fact

that "it can happen to him," the prospect. Insurance people assume the prospect knows he can have a fire and they overlook the necessity of selling him the idea that a fire can happen to him. Few people buy insurance to value because of this.

Many brokers fear to ask for business, to close the sale; some never do, though correctly handled it is not difficult. The best way is to make it easier for the prospect to say yes than no. On U.&O., for example, instead of asking for the order, the broker says, "Mr. Prospect, do you need to have the 30 day raw stock limit extended?" If necessary, he explains the clause again. If he needs an extension, he gets it, and he gets the policy. If he doesn't need it extended, the broker closes with the comment, "Fine. You won't have to pay any additional premium. I'll send out the policy tomorrow."

The broker doesn't ask for the business as such. If the prospect is better than 50% sold, this type of close will get the order. Or, ask him, "Do you want a one year or a three year policy?"

### Farrer Gives Counsel

Richard E. Farrer, educational director of the National Assn. of Insurance Agents, said in his talk on "Keeping Posted" that they must apply insurance policy forms and rules precisely and do their job in a way to reflect an understanding of human beings.

Insurance is a monstrous economic machine, a scientific device, which producers are supposed to understand but which bewilders members of the public. The insurance buyer can see some of the manifestations of the device, but it is the responsibility of the producer to interpret it precisely into protection for the individual on a local hazard basis.

In marketing insurance, the producer should keep in mind that business along with a lot of other things including government—is, in the final analysis, "people." People aren't particularly logical, and the producer must take into consideration the emotions that enter into an insurance transaction. One of the problems of merchandising insurance is to realize that the producer is considered an expert by his local clientele. That responsibility is a big one and a continuing one.

### N.Y.C. Losses Decline

In December the New York Board had 370 incurred losses assigned to its committee on losses and adjustments for a total of \$1,157,651, a 14.9% increase in number, compared with December, 1947, but a 40.8% decrease in amount. For the 12 months the 1948 total was \$3,672 for \$13,169,226, up 18.1% in number, down 23.2% in amount, from 1947.

### \$250,000 Fire Loss in N. D.

A fire last week which destroyed the interior of the Villard hotel, Dickinson, N. D., and the adjoining John Ward restaurant and cocktail lounge, the Red Owl store, the Schilla hardware and furniture store and upstairs offices and apartments in the Schilla building, caused an estimated damage of \$250,000.

Total insurance on the property is believed to be in the neighborhood of \$250,000.

The fire routed 57 guests out of the Villard hotel. None were injured.

Western Adjustment is handling the loss.

Howard M. Looney and Roy W. Wilton have formed the Looney-Wilton agency at Pontiac, Mich. The Looney-Wilton agency has some 20 years' insurance experience.

## Fire Losses of \$711,114,000 in 1948 Set Record

### 2.7% Increase Over 1947 Total Climaxes Seven Years of Steady Gains

Fire losses in the United States in 1948 totaled \$711,114,000, a new record high and 2.7% above the 1947 figure, the National Board estimates. December losses were \$69,397,000, 1.5% above the same month of 1947.

The 1948 record climaxes seven years of steady increases beginning in 1943. In that year, the loss figure was \$380,235,000.

Losses by month last year and for the two preceding years were:

	1948	1947	1946
Jan.	\$6,010,000	\$7,180,000	\$4,803,000
Feb.	71,521,000	64,247,000	51,759,000
March	74,236,000	72,425,000	52,252,000
April	62,751,000	68,029,000	52,153,000
May	52,256,000	56,545,000	45,094,000
June	54,706,000	50,849,000	44,240,000
July	50,955,000	49,357,000	40,992,000
Aug.	49,543,000	51,359,000	40,013,000
Sept.	49,945,000	47,399,000	40,254,000
Oct.	51,845,000	54,946,000	40,103,000
Nov.	52,949,000	51,346,000	44,706,000
Dec.	69,397,000	52,949,000	58,094,000
	711,114,000	692,635,000	561,487,000

(These reported losses under fire policies includes an allowance for uninsured and unreported losses. The figures are based on fire and lightning losses only and do not include those under any other coverages such as explosions.)

### Mallalieu Comments on Record

W. E. Mallalieu, general manager of the National Board, commenting on losses in the past few years, stated that among the important reasons suggested for the volume of losses are increased values of property, greater congestion and concentration of values and higher occupancy rate of buildings. This means, he added, that every fire in the past few years has been able to destroy more property in dollar value than before, and it has taken more dollars to repair or replace property destroyed by fire. Higher property values and price levels have made fires more destructive and have resulted in a record number of conflagrations during 1948.

Great emphasis must be placed on the importance of improving fire protection wherever possible and preventing every fire from breaking out or getting out of control. Mr. Mallalieu said the prime cause of most fires is plain carelessness and the misuse of heating and lighting equipment.

Other factors have contributed to rising losses, including rapid obsolescence of heating plants, overloaded electrical circuits in buildings, use of new industrial processes without proper safeguards, growth of cities faster than their fire departments, and expansion of industry and commerce in rural areas where fire protection, water supplies and alarm systems are inadequate.

Since 1939, fire losses have totaled \$4,481,512,360, and by years the amounts were:

1939	.....	313,498,840
1940	.....	306,469,520
1941	.....	322,367,000
1942	.....	314,849,000
1943	.....	380,235,000
1944	.....	423,538,000
1945	.....	455,229,000
1946	.....	561,487,000
1947	.....	692,635,000
1948	.....	711,114,000
Total	.....	4,481,512,360

(CONTINUED ON PAGE 11)

## Survey to Learn Insured's Interest in Atom Coverage

NEW YORK—The New York City brokerage firm of Schiff, Terhune & Co. is now preparing a second inquiry into the problem of atomic hazards and whether they can be insured. The firm shortly will conduct a survey of business and industry, nationwide, to learn whether management is concerned about the potential dangers of non-war atomic damage and injury. Are concerns seriously interested in purchasing insurance, if it were available, to protect their property or transfer their liability?

A number of businesses and industries, varied geographically and by type of property and operation, will be queried. The firms will include mercantile interests, manufacturing concerns, food packers, film makers (who are particularly subject to loss of product from radiation) and others. There will be included as wide variety of businesses as possible in order to discover or to stimulate the realization of particular susceptibility to damage and injury of this kind.

### Vague, Inconclusive Answers

The first survey the firm made last year was among insurers to learn what coverage, if any, now obtains, and was prompted by inquiries from several insured. The survey also was directed to government bureaus and officials. The answers were in general vague and inconclusive. There is of course little or no experience; insurers did not think their policies covered, or if there was doubt, the inclination was to wait until the event—the companies do not like to commit themselves in advance.

Whether business and industry is anxious about the potential dangers in atomic materials in manufacture or not, Schiff, Terhune & Co. believes that as insurance advisers they have the responsibility of finding out as much as possible about the matter. If industry and business is not interested, the brokerage firm wants to know that also. The intention is to keep on top of the situation, however it develops, from an insurance standpoint. For example, the firm has been given carte blanche on insurance in connection with a large New York City business building. Shouldn't it investigate the possible need of insurance agent atomic damage?

### Parallel With Air Crashes

When the Empire State building was damaged by the crash of an airplane into its upper structure, the general view was that it couldn't happen again. Schiff, Terhune & Co. took the position that if it happened once it could happen again, and it negotiated aircraft damage insurance on another large New York City building which was struck within a few months by another airplane. If an airplane carrying atomic material slams into a building, the whole building or a number of floors could be ruined for use for a long time. If radioactive materials carried by clouds were to settle on a building, it might ruin it for human occupancy for as long as five years.

The precautions being taken by those concerned with atomic manufacture in themselves show the potential danger, the firm believes. There is the reported incident of the batch of film in Rochester that was ruined by atomic radiation. After a great deal of very close investigation to determine where the radiation originated and how it got to Rochester, the answer was that it came from straw grown in the Philippines where, presumably, atomic particles carried from Bikini had settled. The straw was used to pack the film. Radioactive particles, it was shown by the Bikini tests, can be carried in clouds for two to 2½ months.

Up to now damage or injury leading to insured losses have generally been visible and measurable, whereas

one of the dangers of radioactive substances is the fact it can cause damage to a product or injury without visible sign, the firm points out.

## America Fore Broadens Pacific Coast Duties of Edmundson and Emme

America Fore has placed Vice-president H. Clyde Edmundson in charge of all operations on the Pacific Coast. Paul J. Emme, secretary, has been appointed second in command.

Mr. Edmundson has been in charge of the coast department of the fire companies since 1939, and now assumes supervision of Fidelity & Casualty. Mr. Emme has been manager at Los Angeles for F. & C.

Carroll Young has been made resident manager at San Francisco for F. & C. to succeed Floyd L. Anderson, retired.

## Report Several Tennessee Department Men to Stay On

NASHVILLE—M. O. Allen, new Tennessee insurance commissioner, has announced that T. E. Miles will remain with the department as deputy commissioner, a position he has held for more than 10 years. It has been reported that Commissioner Allen also plans to retain Currey Sanders, manager of the state rating bureau and workmen's compensation department, and

Charles Houston as manager of the legal department. He has been strongly petitioned to retain these men.

It is also reported that Mr. Allen will continue operation of the Newport Insurance & Investment Co., which he headed at the time of his appointment.

## On Semi-Monthly Basis

"Insurance Journal" of Los Angeles hereafter will be published semi-monthly instead of monthly. Originally founded a quarter of a century ago, the paper was then published semi-monthly. Mark A. Wells is editor and publisher.

L. R. Hauser, who severed his connection with the Louis Schlesinger Co. at the close of the year, has established his own brokerage office at Newark, N. J.

## Retiring Security Men Honored



Gilbert H. Fulton, vice-president; W. A. Thomson, secretary, and W. Perdue Johnson, vice-president, receive the thanks and good wishes of President P. J. Berry of Security of New Haven at a dinner honoring the three retiring officials.

## Dithmer to PR Post in W.U.A.

Walter G. Dithmer of Indianapolis has been appointed as field supervisor in charge of public relations work of Western Underwriters Assn. at Chicago. He is resigning as a member of the firm of Ray & Dithmer, Inc., Indiana general agents.

Mr. Dithmer started in the business with an Indianapolis local agency in 1923 and later attended DePauw university. Afterwards he was employed by Indiana audit bureau and he entered the general agency field in 1928 where he has served continuously since. He has been public relations chairman of Indiana Fire Underwriters Assn. the past two years and publicity director of Indiana State Fire Prevention Assn. for four years. He has taught agency management and advertising at Indiana University and in a number of local agency schools. He is custodian of the Indiana Blue Goose.

## General Mills Suit

MINNEAPOLIS—A hearing has been set for Feb. 3 in federal court on two motions in the big insurance suit of Harry Goldman vs. General Mills. A jury some weeks ago returned a verdict for \$198,678 for the plaintiff whose building, leased to General Mills, was destroyed by an explosion and fire which Goldman claims was due to the negligence of the milling company and one of its employees.

Indiana Lumbermen's Mutual, intervenor, has filed a motion to have judgment entered while General Mills has filed another motion to set aside the verdict, enter judgment for the defendant or order a new trial.

## 70 Attend MacDonald Rally

SEATTLE—Seventy officials and staff members of D. K. MacDonald & Co., insurance brokers, attended the company's first annual business meeting here. In attendance were staff members from Portland, Spokane, San Francisco, Los Angeles, Kansas City and Seattle.

C. W. Jamieson, manager of the Lloyds department, spoke on foreign insurance markets; Sterling J. Stapp, casualty department, on casualty risks; R. D. Pike, manager of the fire department, salesmanship; and marine insurance was discussed by R. W. Norquist, manager of the marine department.

D. K. MacDonald, president, discussed organization and office routine.

## Launch Plans for N.A.I.A. Mountain States Regional

The directors of Colorado Assn. of Insurance Agents met at Greeley for an all-day session Jan. 22 and they were joined for luncheon by several committee chairmen from Denver. Practically the entire membership of the local boards from Greeley and Boulder attended, as well as two representatives from the Wyoming association. There were 38 in attendance.

J. M. Christensen of Laramie, vice-president of the Wyoming association, headed that delegation. The principal discussion had to do with plans for the midyear regional coverage of the three Rocky Mountain states—Colorado, Wyoming and New Mexico—at the Broadmoor Hotel, Colorado Springs, April 1-2. It was announced by President C. P. Hopkins of the Colorado association, who is chairman of the committee for the conference, that Roy A. Duffus, Rochester, N. Y., president of the New York State association, whose acceptance has been previously announced, will talk as well as C. P. Cunningham, assistant superintendent of the underwriting division of Zurich, whose subject will be "Casualty and Workmen's Compensation."

## Back to Dark Ages

Agents are still having much difficulty in placing a number of multiple location risks on which the experience has been so adverse that the companies shun the business at the tariff rates. One solution is for the agent to break the line down into constituent units and simply arrange for the necessary coverage at each location. Thus an individual insurer is not looking at the line as a whole, but simply at a definite specific location. There is little difficulty here in getting what is needed but, of course, it multiplies the work for the agent and one agent who has done this says it takes him back to the dark ages.

## Stephenson Reins Head

Hugh R. Stevenson of Bowes & Co. was elected president of Reins Club of New York, succeeding James J. Ratcliff, Prudential of Great Britain, who held the office the last three years.

John T. Ross, Guy Carpenter & Co., was named secretary, and Frank J. O'Brien, Commercial Union, treasurer. Board members are Leroy W. Beers, North British, James E. Simpson, Royal-Liverpool, and Mr. Ratcliff.

Dean Arthur C. Goerlich of Insurance Society school, spoke briefly describing reinsurance as a \$600 million a year business. There is a golden opportunity for the American market to assure a position of world leadership in the field, he said. A big problem for reinsurance is the need for trained men, he stated and if they aren't trained here, they must be imported.

Leighton Halsey, Phoenix of Hartford, entertained with his excellent repertoire of magicians' tricks.

## Forms Group Department

Fireman's Fund Indemnity has established a new group insurance department. Robert F. Benjamin, who has had 13 years experience in group insurance, has been named manager of the new department. He will supervise the development and processing of the new unemployment compensation and disability plan which Fireman's Fund Indemnity is making available to employees throughout California. Heretofore, the disability business has been part of the regular accident and health department of Fireman's Fund.

Mr. Benjamin is a graduate of University of Oregon and a member of California Bar Assn. During the war he served as a major in the marine corps.

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## Mich. Pond Holds Big Winter Rally

The winter meeting of Michigan Blue Goose at Detroit brought out an attendance of 177. There was a full agenda of business and an imposing array of guests from the grand nest.

F. R. Grosvenor, F&G, was elected custodian to fill a vacancy in the ranks, and Russell P. Heindel, London Assurance, was elected guardian. Fred Krussman, North British, is the new wielder. James D. Lecky, Jr., deputy most loyal grand gander for Ohio, performed the installation.

Leading the grand nest representatives was E. W. Trenbath, most loyal grand gander. Others on hand were J. Ray Hull, grand supervisor; Paul M. Fell, grand custodian; R. A. Kenzel, grand wielder; Eugene F. Gallagher, deputy M.L.G.G. at large, and Clarence B. Herrick, deputy M.L.G.G. for Indiana, and the Michigan pond's candidate for grand keeper in 1950.

The southern Michigan puddle at Jackson, and the Lansing puddle were approved and new officers installed by Mr. Trenbath.

Nearly 200 attended the banquet in honor of William Benallack, retired secretary of Michigan F&M. Mr. Hull presented 25 year emblems to 13 new silver geese.

Talks were given by Mr. Trenbath on "What Blue Goose is Accomplishing Today," and Mr. Gallagher on "Why Blue Goose?"

A. F. Powrie, western manager of Fire Association, also was a guest. He and Mr. Benallack are the only remaining charter members of the Michigan pond.

## New Financing Proposals

WASHINGTON — A number of amendments relative to insurance concerning provisions of a pending new small loan code for the District of Columbia will be proposed by W. R. Litchtenberg, counsel for 27 small loan companies. He expects the D. C. commissioners will hold a final hearing on the proposed code after its submission in draft form from the corporation counsel's office.

The proposed code includes a provision that licensed loan concerns may require that a borrower on his auto as collateral security furnish protection in the form of \$50 to \$100 deductible collision, fire and theft, or comprehensive.

It is also proposed that where no personal property is offered as collateral security, a reducing form life policy may be required by the lender equal to the amount of the loan.

The proposed code carries forward a provision of the 1913 small loan act under which interest, fees, charges, etc., including insurance premiums in connection with loans, must not exceed the maximum total charge allowable by law.

In the case of non-licensed small money lenders, insurance premium would be included in the allowable maximum 6% per year covering all loan charges.

## Sprinkler Group Elects

William J. Carroll, Rockwood Sprinkler Co., was elected president of National Automatic Sprinkler & Fire Control Assn. at the annual meeting at New York. Mr. Carroll became president last July to succeed the late Russell Grinnell. T. S. Duke, Star Sprinkler Corp., and James D. Fleming, Grinnell Co., are vice-presidents; Miss Anna D. Bosch is secretary.

H. E. Hilton, who had been assistant insurance director of U. S. Chamber of Commerce, recently became executive director of this organization.

## Willmer to Royal Exchange

Edwin J. Willmer has been appointed special agent in Michigan for Royal Exchange group, succeeding Joseph T. O'Brien who recently resigned to go

with Broderick & Co.

Mr. Willmer was graduated from Detroit University School. He served 4½ years in the army. He was formerly with the Raymond & Raymond local agency at Detroit, for four years. He comes of an insurance family.

Ralph P. Wesley, manager of Bankers Service Agency, Hutchinson, Kan., is a member of a party of 15 associates of Bankers Investment Co., Hutchinson, on a train-bus-air trip to Guaymas, Mexico.

## Alverson Secretary of New Zealand

Peyton Y. Alverson has been appointed secretary of New Zealand and South British at the U.S. head office in San Francisco. He will assist William S. Houston, United States manager. Mr. Alverson started as a clerk for Commercial Union after graduating from the University of California. Later

he was advanced to the city department. In 1923 he joined the Harris & Spear general agency. Six years later he went with Northern of London as special agent and in 1935 was named manager of the San Francisco metropolitan department.

In 1945 he joined A. B. Knowles to organize the fire department for Utah Home in the Pacific Coast states. He has been manager of that department until now.

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#### DUNCAN & SWAIN

Third and Main Bldg., Evansville 4, Indiana  
General Insurance Adjusters Operating in  
Southern Indiana  
Southern Illinois  
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Branch office: 425½ Broadway, Paducah, Ky.

#### Eugene McIntyre

#### Adjustment Co., Inc.

All Lines of Automobile, Casualty  
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R. L. Pendergrast, General Manager  
Adjusters for the companies only  
Legal and company trained personnel  
All types of Casualty and Automobile—  
Casualty—Commodities and Allied Lines  
782 Manhattan Bldg. Telephone DAley 8-8888  
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## Make Plans for N.A.I.A. Midwest Rally March 23-24

Plans are being rapidly shaped up for the midwest territorial conference of National Assn. of Insurance Agents to be held at French Lick Springs hotel, French Lick, Ind., March 23-24. Harry McClain, executive secretary of Indiana Assn. of Insurance Agents, is in charge of arrangements and H. H. Corson of Nashville is arranging the program and is chairman of the conference. All requests for hotel accommodations and registrations are to be made through Mr. McClain in the Chamber of Commerce building, Indianapolis.

The first session is scheduled for the morning of March 23 with a forum on agency expense and the final event will be the banquet and entertainment deluxe March 24. Mr. McClain said it would be wise for any company that desires to maintain a suite of rooms to get in touch with him immediately.

## \$600,000 Fire Near Chicago

A tentative price tag of \$600,000 to \$700,000 is being placed on the fire which occurred Jan. 22 in the North Chicago processing and packing plant of the National Cranberry Assn. The

fire began in or near the boiler room and spread through the 260 x 310 foot structure in less than two minutes.

The amount of insurance on the building and contents is believed to be adequate. It is with the Warner reciprocal exchange, and mutual and stock companies. Western Adjustment is handling the stock company adjustments; Wagner & Glidden are representing the mutuals, while John D. Wiese Co. is representing Warners.

This fire destroyed 150,000 cases of sauce and jam and 400,000 pounds of sugar. Firemen were called in from Waukegan and the Great Lakes training center to aid the local fire department.

## Und. Adjusting Elects

T. A. Pettigrew, who is the operating head of Underwriters Adjusting of Chicago, was reelected president at the annual meeting. H. A. Clark, Firemen's, and Earl Gibbs, Boston, were reelected as vice-presidents. Newly elected directors are P. J. Berry, Security of New Haven, and J. C. Hiestand, Ohio Farmers.

The U. S. Chamber of Commerce insurance department committee has scheduled a meeting for the Waldorf-Astoria Hotel, New York, Feb. 9.

## B. F. Flood New Head of Field Club of W. Va.

Field Club of West Virginia at its annual meeting at Huntington, elected B. F. Flood, Royal-Liverpool, as president; F. J. Vaughn, Phoenix of Hartford, vice-president, and H. E. MacShane, Aetna Fire, secretary.

The new members of the executive committee are J. E. Tetlow, Jr., Fireman's Fund, chairman; E. E. Chester, Crum & Forster, secretary; A. E. Douglass, American Equitable; R. A. Moore, Great American, and C. J. Johnson, Alfred Paull General Agency.

## Auto Finance Bill in Mich.

LANSING, MICH.—Senator Hittle of Lansing has introduced a stringent bill (Senate 60) setting up regulations governing automobile finance companies' operations. It would require that a licensee under the act provide a \$5,000 compliance bond, filing a new bond with each license renewal; that a statement given every time-purchaser include all information relative to insurance included in the contract, including the exact amount of coverage and premium cost; insurance must cover interest of both purchaser and finance company, proportionally to the interest represented; insurance must be placed in an authorized carrier and through a licensed agent; finance company may not dictate placing of coverage but if it does handle insurance must replace in event of cancellation.

## Office Management Booklet

National Assn. of Insurance Agents, though its educational division, has released an educational booklet, "Office Management," by Richard E. Farrer, director. This deals with the agent's office, office management, office systems, and agency accounting.

This is part of N.A.I.A.'s plan to provide practical aid and graphic assistance to members in becoming better business men.

This new office management unit course completes the entire N.A.I.A. standard course series which has been in the process of revision throughout the past year.

## Initiate at Kansas City

Heart of America Blue Goose at its winter meeting at Kansas City initiated nine goslings in a ceremony which fea-

tured the new guards' uniforms. There were 68 attending. The admittance was given by Deputy Most Loyal Grand Gander Alex Young, Hartford Fire, W. O. Woodsall, Fire Assn., a P.M. L.G., gave the charge.

Kenneth S. Ogilvie, assistant manager of Western Underwriters Assn., was presented a 25 year service pin.

The members expressed strong backing for the candidacy of Mr. Young for grand keeper in 1950.

The ponds comprising the "Mohaak Flight," Oklahoma, Arkansas, Kansas and Heart of America, will hold a meeting at Joplin, Mo., the latter part of April with the Oklahoma pond as host.

## Charron Buffalo Head

A. J. Charron of American was elected president of Buffalo Field Club at the annual meeting. B. L. Jones of Frey & Jones, adjusters, is vice-president; L. W. Powers of Buffalo Ins. Co. is secretary and John E. Dickinson of Hodgson, Russ, Andrews, Woods & Goodyear, treasurer.

Assn. of Canadian Fire Marshals will hold its annual meeting the week of May 9 at Regina.

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## SURETY BONDS

### ASSIST BUSINESS TO EXPAND

When American business needed positive assurance of its continued advance toward higher ground, corporate suretyship provided bond forms suitable to accommodate that expansion and thereby shouldered some of the burden incident to progress.

Congress went a step further in 1935 by enacting the Miller Act, which improved the position of labor and material suppliers through the requirement of a separate bond guaranteeing the payment of labor and material bills. Many states and municipalities followed this practice, until today the requirement of the so-called companion bonds, one guaranteeing performance and the other payment of labor and material costs, is almost universal.

(Sixth in a series of advertisements tracing the history of the Fidelity and Surety Industry)

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THE UNION MARINE & GENERAL INSURANCE CO., LTD.  
LONDON GUARANTEE & ACCIDENT CO., LTD.  
PHENIX INDEMNITY COMPANY

Standard Protection

	Div.	Bid	Asked
Aetna Casualty	3.00	81	85
Aetna Fire	1.80*	52	55 1/2
Aetna Life	2.50*	56 1/2	58
American Alliance	1.10*	23	24
American Auto	1.20	45 1/2	Bid
American Casualty	.80	12	13
American (N. J.)	.70	18	19
American Surety	2.50	62	63 1/2
Boston	2.40	63 1/2	65
Camden Fire	1.00	20	21 1/2
Continental Casualty	2.00*	52 1/2	53 1/2
Fire Association	2.50	63	65
Firemen's Fund	2.60	82	84
Firemen's (N. J.)	.50	16	17
Glens Falls	2.00*	48 1/2	50
Globe & Republic	.50	10 1/2	11 1/4
Great Amer. Fire	1.30	33 1/2	34 1/2
Hanover Fire	1.20	32	33
Hartford Fire	2.50*	119	121
Home (N. Y.)	1.30	29 1/2	30 1/2
Ins. Co. of North Am.	3.50	104	106
Maryland Casualty	.50	15 1/2	16 1/2
Mass. Bonding	1.60	28	30
Merchants Fire, N. Y.	1.60	30	32
National Casualty	1.25	23 1/2	25
National Fire	2.00	52	54
New Amsterdam Cas.	1.20	30 1/2	32 1/2
New Hampshire	2.00	42 1/2	44
North River	1.00*	26	27
Ohio Casualty	.80	48	Bid
Phoenix, Conn.	2.00*	89	91
Preferred Accident		3 1/2	4
Prov. Wash.	1.40*	34 1/2	35 1/2
St. Paul F. & M.	2.25*	78	80
Security, Conn.	1.40	33	34
Springfield F. & M.	1.90	46 1/2	48
Standard Accident	1.45	33 1/2	34 1/2
Travelers	22.00*	683	693
U. S. F. & G.	2.00*	53	55
U. S. Fire	2.00	60	62

\*Includes extras.



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Increased prices require correction of insurance coverage. Prudent management does this with our service, uses American Continuous Appraisal Service to keep coverage in line with values.

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Over Fifty Years of Service  
OFFICES IN PRINCIPAL CITIES

## A PLACING OFFICE For Your UNUSUAL LINES INCLUDING

TAXI CAB (ALL COVERAGE)  
LONG HAUL (ALL COVERAGE)  
PRODUCTS LIABILITY

We Invite Your Inquiry

STAUNTON-GLOVER & CO.  
A-455 Insurance Exchange  
Chicago 4, Ill. Harrison 7-5807

**KENNICKOTT N. Y. SPEAKER****Gives Blueprint for Future for Farm Mutuals**

A blueprint for the future for farm mutual insurers was given by H. L. Kennicott, secretary of Lumbermen's Mutual Casualty and president of National Assn. of Mutual Insurance Companies, in addressing the meeting of New York Central Organization of Cooperative Fire Insurance Companies at Syracuse Tuesday.

Above all, Mr. Kennicott emphasized the necessity for inspection service. Farm mutuals may rise or fall on their ability to adapt themselves to the need for inspection, he said. In order to flourish in the future, the companies have to get deeper into technical aspects of the business. The mechanical end of the business will require more attention. He said he was referring specifically to such matters as rural fire districts, rural fire protection, cisterns, ponds and other sources of water supply.

**E. C. Problem to Fore**

Also farm mutuals need to modernize some of their underwriting and policy writing procedures. Extended coverage has created problems which will be much more apparent a little later when the farm public becomes more claim conscious, he predicted. He said today many farm policyholders don't know that they have E.C. The insurers will have to do something in an important way with regard to capacity, either through larger writings and reinsurance or through representation of each other and interchange of policies or by whatever means.

As underwriting the business becomes more complicated and several policies are on the same property, concurrency will have to be considered. Mr. Kennicott said that his house in a rural section near Chicago is insured in four farm mutuals and the policies were astonishingly non-concurrent until he asked for endorsements to harmonize the cover.

He predicted that there will not be the multiplication in the number of farm mutuals that there has been in the past but that there will be bigger and stronger companies.

**Minimizing Expense**

The farm mutual system has saved money by minimizing the need for the expenses that can't be avoided by regular insurance companies such as selling, bookkeeping, money handling, underwriting and claim adjusting and also the system inspires the members to control fires. The volume of insurance carried in farm mutuals is sufficient to cover to three-fourths of its value more than half of all the farm property that is subject to insurance against fire, he said.

The various kinds of equipment and kinds of power on the farm have greatly increased fire hazards and this is what the farm mutuals must contend with and what they must adapt themselves to in the future. This adaptation must be made without losing the traditional virtues of simplicity and economy of operation.

Mr. Kennicott also emphasized the necessity of getting young men interested in the operation of the companies. There is a place for men of 70 and 80 in the system but he expressed the belief that the average age is considerably too high.

**Plans for Arson School**

The annual seminar and training course dealing with arson investigation and detection will be conducted at Purdue University May 23-27. This offers an opportunity for study and discussion of the arson problem under the guidance of police and fire specialists. It is conducted by Indiana Fire Service Training Schools and Public Safety In-

stitute of Purdue with the cooperation of organizations interested in the problem of arson control and prevention.

The seminar will serve as a training course for investigators and others interested in techniques of arson control and prevention.

**Brokers to Fight Cuts**

Brooklyn Insurance Brokers Assn. has announced a plan of action committee, to promulgate ways of stemming "the tide of reducing the producer's commissions." President C. A. Merante said some companies already have started to reduce brokers' commissions on certain lines. Because of rising costs of operations, these reductions will put many brokers out of business.

The committee consists of V. D. Martire, chairman; J. E. Freis, F. X. Nicastro, D. H. Krasnow, R. J. DePaola and F. J. Scalise. They will work with the company and brokers relationship committee, headed by John B. Swift.

**Menn Los Angeles Director**

LOS ANGELES—W. H. Menn, past president of N.A.I.A., has been elected a director of Insurance Assn. of Los Angeles to succeed Van F. Joy, recently elected vice-president of the association.

**Miss. Commissioner Gives Warning on Overinsurance**

Commissioner White of Mississippi has addressed a message to agents, saying that the department has been called upon to investigate many suspicious fires in recent months and that usually it was found that the property involved had been far overinsured and that the agent should make an actual, bona fide inspection of a risk and an inquiry into the moral character of the prospect, before countersigning a contract.

The public has an interest, he pointed out, because incendiary losses run up the loss ratio and they are charged back into the rates.

Mr. White says that under the Mississippi law, it is an agent's duty to "appraise" the risk, in writing. This necessarily means there must be a bona fide inspection of the property and a determination of the moral responsibility of the insured. The countersigning agent has failed to measure up to the duties of the law when a loss occurs in a risk that is overinsured or where a loss occurs through the willful conduct of

the insured.

Mr. White recalls that in the 1948 legislature there was enacted a bill requiring the commissioner, after a hearing, to suspend, revoke, cancel or refuse to renew an agent's license for violation of any insurance law. The failure of an agent to make an actual bona fide inspection and to inquire into the moral character of the prospect is a failure to do that which the law requires, according to Mr. White, and a policy countersigned under such circumstances is no more than the signing of a blank policy which the law expressly prohibits.

Mr. White expresses the hope that it will not become necessary to resort to the power of this 1948 law.

(This is the first warning on overinsurance that has come to the attention of THE NATIONAL UNDERWRITER in many a day. Of course, it was the theme song of insurance departments and insurance companies during the depression years following 1929. In recent years the race has been on to increase insurance to value. Mr. White's warning may indicate that a new swing of the pendulum is making up.)

Insurance Agents Assn. of Kansas City will hold its spring get-together party April 16.



Every year it goes higher and higher! Last available figures show that 1947 Accident and Health premiums hit a record of 800 MILLION DOLLARS!\*

Think of it!—a type of insurance protection bought purely on a voluntary basis with a volume almost 200 MILLION DOLLARS greater than Workmen's Compensation.

Perhaps you're missing something good by not selling Accident and Health insurance! The best way to check is to figure out how much of that 800 million dollars was yours. And, if you decide to go after this business, remember that the Royal-Liverpool Group Accident and Health Dept. stands ready to help its agents.

\* Premium volume of stock and mutual companies.

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## America Fore Reports Reveals Excellent Year

The extent of the favorable influences in the fire insurance business last year is revealed in the annual statements of Continental and Fidelity-Phenix. Continental registered an increase of about \$3½ million in net surplus on a market value basis while the surplus of Fidelity-Phenix increased by about \$3,100,000. Assets of Continental on the commissioners basis were \$186,463,232 and at market they were \$188,070,099. Premium reserve was \$53,561,713, capital \$20 million and net surplus \$92,427,953 at market and \$90,821,086 on the commissioners basis.

Premiums written were \$63,573,324, premiums earned \$53,149,394, losses \$28,460,094, expenses \$22,657,480 and underwriting profit \$2,032,019. Net investment income was \$6,420,431, there was a net increase in market value of securities of \$1,042,233, federal income tax \$1,485,109.

The assets of Fidelity-Phenix were \$155,220,795 at market and \$153,484,414 on the commissioners basis. Premium reserve was \$42,529,854, capital \$15 mil-

lion and net surplus \$77,701,123 at market and \$75,964,743 on the commissioners basis.

Premiums written were \$51,674,483, premiums earned \$43,927,704, losses \$23,857,301, expenses \$18,409,072, underwriting profit \$1,661,330; net investment income \$5,116,734. The increase in market value of securities was \$959,780 and federal income tax was \$998,191.

### \$1½ Million Cotton Loss

LOS ANGELES—Losses in Monday's cotton fire at Fresno will fall mainly on Cotton F. & M. Underwriters and Cotton Association, with the remainder not yet ascertainable. Early press reports of 7,000 bales valued at \$1½ million being destroyed are approximately correct, according to local offices of both insurers.

Cotton F. & M. Underwriters is on approximately 5,000 bales, the coverage being on 16-A form, insured receipt, provisional fire reporting form.

Cotton Association reports it is on approximately 1,000 bales on buyers transit form.

The fire was confined to one building of the 16 of Pinedale Compress Co., owned by Congressman C. F. White, whose manager estimated the loss on the building at \$15,000. Total cotton stored was reported 85,000 bales.

## 1948 MUTUAL FIRE RESULTS

	Adm. Assets	Unearned Premiums	Net Surplus	Net Premiums Paid	Net Losses Paid
American Mutual Reins.....	1,912,258	553,336	1,250,000	806,681	288,946
Austin Mutual, Minneapolis.....	2,278,558	587,809	1,619,760	1,465,137	506,619
Indiana Lumbermens Mutual.....	8,868,018	5,581,186	2,433,828	6,546,757	2,223,774
Iowa Mutual, DeWitt.....	2,004,495	1,134,018	663,941	1,364,419	527,348
Iowa Mutual, Tornado.....	3,816,159	830,878	2,877,513	1,656,174	343,096
Lumbermens Mu., Mansfield, O.	7,081,658	4,353,698	1,960,416	5,077,666	1,587,122

### Pittsburgh Day Plans Shaped Up

Pittsburgh Insurance Day, which is one of the most notable insurance events of the country, is scheduled this year for February 28 at Hotel William Penn. Joseph C. Donaldson, special agent for Hartford Fire, is general chairman. The outline of events will be identical to that which has been followed for the past several years. There will be several forums on various subjects in the morning and in the afternoon with a luncheon for the entire assemblage and topped off by the banquet featuring dozens of leading insurance executives from various underwriting centers.

Walton C. Zieg, independent adjuster, heads the arrangements committee; Charles H. Kahrs, London Assurance, is chairman of the dinner committee; Fred R. Miller, Aetna Casualty, educational program; Wallace M. Reid, finance; Paul J. Trimbur, L. A. Burnett Co., president of the club, guests and greeter; Walter F. King, McCloskey & O'Neil, luncheon; George F. Avery, U.S.F.&G., reception; Newell C. Bradway, Ohio Casualty, tickets.

### Slate Hershey Feb. 1

Harry B. Hershey, whose appointment as insurance director of Illinois was confirmed by the state senate this week, will bring greetings at the annual luncheon meeting of Insurance Federation of Illinois, Feb. 1. R. J. Wetterlund, Washington National, the federation president, will preside and make a talk. George F. Manzelmann, North American Accident, will report as chairman of the resolutions committee and John P. Keevers, Maryland Casualty, will report for the nominating committee. Ray S. Bass, treasurer of A. E. Staley Mfg. Co., and vice-president of American Management Assn., in charge of the insurance section, as previously announced, will give a talk "Views of an Insurance Buyer."

### Hatcher to Paul Revere

J. J. Hatcher has been appointed general agent for West Virginia for Massachusetts Protective and Paul Revere Life, with headquarters at Huntington. For the past 15 years he has been with Kansas City Life as agent and general agent. He has always made a fine record in personal production.

W. E. Pitman has been appointed district manager at Huntington, succeeding C. W. Wright.

### "Comp" Rates Discussed

Seldon E. Brown, director of insurance and workmen's compensation of Associated Industries of Missouri discussed "Making Workmen's Compensation Rates" at a dinner meeting of the St. Louis Insured Members Conference Jan. 25.

### New Farm Bureau Unit

The Farm Bureau insurance companies of Columbus have formed a new commercial automobile underwriting department to centralize work formerly handled by five separate departments. It will underwrite automobile fleet lines as well as such lines as garage liability, garage keepers' legal liability, and automobile non-owner liability. This will relieve the pressure of business in other departments and provide better service. It will also make possible better coordi-

nation of the engineering and safety activities relative to the lines being handled.

Harold A. Langstaff, former manager of the Ohio automobile underwriting department, will head the new unit. He joined Ohio Farm Bureau Corp. in 1928. In 1927 he became head of the premium department in Farm Bureau Mutual Automobile. He has been manager of Ohio underwriting since 1941.

J. W. Howison becomes manager of the Ohio automobile underwriting department.

### Jackson Talks at K. C.

Speaker at the Jan. 21 meeting of Kansas City Assn. of A. & H. Underwriters was O. R. Jackson, president of Postal Life & Casualty. Mr. Jackson's subject was compulsory national health insurance, and he presented figures in opposition to government statistics.

Year in and year out  
you'll do well with the  
**HARTFORD**



—all forms of fire,  
marine and casualty  
insurance and fidelity  
and surety bonds.

**WELL KNOWN**

**HARTFORD FIRE  
INSURANCE COMPANY**

**HARTFORD ACCIDENT  
AND INDEMNITY COMPANY**

**HARTFORD LIVE STOCK  
INSURANCE COMPANY**

**HARTFORD 15, CONNECTICUT**

January 27, 1948

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1848 GOLD DISCOVERED IN CALIFORNIA



The same year

Pawtucket Mutual inaugurated the practice of paying losses promptly, and during the past one hundred years has paid over \$11,000,000 in claims.

**PAWTUCKET MUTUAL**

**FIRE  
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## INSURANCE NEWS BY SECTIONS

## PACIFIC COAST AND MOUNTAIN

Semmelmeyer Is  
F.U.A.P. Nominee

H. W. Semmelmeyer, secretary of Planet, has been nominated for president of Fire Underwriters Assn. of the Pacific. Nominated for vice-president is R. B. Masters, assistant Pacific Coast manager of Security of New Haven; for secretary, H. L. Simpson, and for treasurer, George H. Whitney.

R. Lynn Colomb, who is now the president, is nominated for chairman of the executive committee, the other nominees being the four officers and Loren S. Bush, Charles A. Craft and Herbert Ryman.

Governor Suggests Possible  
Hike in Wash. Premium Tax

SEATTLE—The possibility of doubling the Washington premium tax paid by domestic and foreign insurers was suggested by Gov. Langlie in his message to the legislature. While he did not advocate the increase, nevertheless he listed it as one of the many possible additional sources of revenue which the legislature might investigate in its search for much-needed funds. The state is facing a fiscal crisis by reason of the passage of initiative 172, a liberalized old-age pension program.

Gov. Langlie referred to the possibility of boosting the rate paid by domestic insurers from 1 to 2% and foreign companies from 2 to 4%. In addition, he mentioned the possibility of taxing ocean marine and foreign trade insurance 1 1/2%. At present ocean marine writers pay tax to the state on a simple profit formula basis.

Shortly after the message was made public, the governor was besieged by domestic company officials who pointed out to him that the suggested tax boost would drive most of the companies out of the state. Under retaliatory tax laws in effect in other states the Washington domestic companies would be obliged to pay the 4% tax charged their companies in Washington, it was pointed out. Langlie emphasized that he was not advocating the tax increase, but was merely pointing out all sources of revenue which should be looked into.

## S. F. Accountants Elect

San Francisco Insurance Accountants Assn. has elected these officers: President, Patrick Rounds, American; vice-president, Russell Archer, Pearl-American; secretary, William Gropius, L. R. Eby & Co.; executive committee, Stephen McCormick, New York Underwriters; Gervin Whitney, Hartford.

## Little L. A. City Insurance

LOS ANGELES — Councilman G. P. Cronk, an insurance agent, and F. M. Cummings, director of the budget, discussed "Your City—Uninsured," before Insurance Forum of Los Angeles. They pointed out that the city has no fire or liability insurance on the 451 city-owned buildings, whose construction value was \$27,000,000. Neither is there any coverage on 3,397 automobiles and equipment valued at \$7,801,844. There is no collision, property damage, public liability, comprehensive or other



Mr. SEMMELMEYER

type of coverage on the vehicles, nor on police or fire department equipment.

The airport, harbor and public library departments, under city charter provisions, do carry insurance.

The city has fidelity coverage on officials and employees to the extent of \$3,051,500, as required by law.

## So. Cal. Brokers Elect

The new president of Insurance Brokers Society of Southern California is Fred M. Hughes, Marsh & McLennan. Thomas E. Ashbrook, Stephens-Witten Co., is vice-president and A. B. Davidson, Grant Birkholm Co., is secretary-treasurer.

## Coast Claims Men Shifted

Northwestern Mutual Fire has transferred R. K. Budlong from Spokane to Seattle to become manager of the Seattle claims department. Mr. Budlong joined the company in 1946 and has been in

charge of claim offices at Spokane and Walla Walla.

Charles R. Snyder, staff adjuster at San Diego, will replace Mr. Budlong at Spokane. He started with the company in 1938 and has been an adjuster at Los Angeles and San Diego since 1941, with the exception of four years in the navy during the war.

Vincent L. Anderson has been moved from Los Angeles to take over Mr. Snyder's duties at San Diego.

## Welsch Takes L. A. Post

Francis X. Welsch, formerly with General Adjustment Bureau at DuBois, Pa., has joined Commercial Union group at Los Angeles as adjuster.

## Cannot Buy Reciprocal Cover

Judge Charles E. Winstead of the third district of Idaho has issued a permanent injunction prohibiting Frank P. Howard, mayor of Boise, and other city officials, from paying public funds as premiums to Truck Insurance Exchange. The court order holds that the state constitution prohibits cities from participating in reciprocal insurance.

## MIDDLE WEST

O'Connell Heads  
Cincinnati Board

CINCINNATI—Arthur M. O'Connell, vice-president Thomas E. Wood agency, was elected president of Cincinnati Fire Underwriters Assn. by the governing committee last week. He succeeds George B. Maggini, who served two terms. T. T. Bryant of the Walter P. Dolle agency, a past president, is the new vice-president.

After graduating from the Y. M. C. A. law school in Cincinnati (now Chase College of Law), Mr. O'Connell entered



## Is the Insurance Agency really an Insurance Store?

"MERCHANDISING"  
IN THE LOCAL AGENCYCan Insurance be  
distributed  
like Merchandise?

When we start talking about "merchandising" insurance there is always a question as to just what we mean.

What we really are saying is "We ought to make sure that our modern, broad-coverage forms of protection come to the attention of people who need them!"

As a comparison—the store owner is a

good "merchandiser" if he gets favorable publicity and wide distribution for his wares.

The insurance agent can be a good "merchandiser" too—by seeing that people learn, in some way or other, about the many forms of protection and service which his "store" has to offer.

This, of course, means a little advance planning, a fair knowledge of the "merchandise" on the shelves of the insurance "store" and—daily attention.

The "merchandising" of benefits from business-operated and local agency-distributed insurance is something we can hardly have too much of!



OHIO FARMERS INDEMNITY COMPANY



THE INSURANCE AGENT IS A GOOD MAN TO KNOW

the insurance business in 1927 as a claim adjuster for Travelers. He became Cincinnati claims manager of General Accident in 1934 and a year later entered the agency business with Eureka-Security agency, becoming general manager. When the Eureka-Security and Wood agencies were consolidated in 1947, Mr. O'Connell became vice-president of the latter organization. He has served two terms on the Cincinnati board governing committee, becoming vice-president last year, has been active on the legislative committee of Ohio Assn. of Insurance Agents and has taught insurance courses at University of Cincinnati.

The new officers will be installed by Superintendent Robinson of Ohio Feb. 10.

### Rotary Insurance Session

The Hutchinson (Kan.) Rotary Club had what was virtually an "insurance night" Jan. 20. Ray Hagenmaster of the McNaghten agency was program chairman. The speaker was Ben E. Evans, Stafford agent, a past district governor of Rotary. Paul Lewellan, club secretary, who is president of the Hutchinson Insurance Board, had as his guest John L. Vorse, Wichita, Royal-Liverpool state agent. Other guests were W. F. Sanifer, Stafford agent, who was introduced by Arthur H. Lewis of the Wade Patton & Co. agency, chairman of the Hutchinson fire prevention committee, and Ewing B. Fergus, Kansas Inspection Bureau, Wichita.

### Mich. Meeting Plans

Among the questions that are scheduled for discussion at the midyear meeting of Michigan Assn. of Insurance Agents at Book-Cadillac hotel, Detroit, Feb. 23-25 are legislation, group insurance for members, automobile insurance, assigned risk plan, commissions, audit bureau, traffic accident prevention, a new approach to insurance education, licensing of producers, local association placement of public business and tax equality. Speakers will include Governor Williams, Commissioner Forbes and Joseph F. Leopold of National Tax Equality Assn., Dallas.

The evening of Feb. 23 there will be

a meeting of the executive committee together with the advisory committee, consisting of past presidents, laws and legislation committee and the presidents of local associations and various committee chairmen. The general convention sessions will be held the morning and afternoon of the next day, and the morning of Feb. 25.

### New Ia. Licensing System

DES MOINES — The Iowa insurance department is installing a new system of licensing agents and will send out instructions to the companies shortly on the change.

The new plan calls for a continuous license for the agents which will eliminate the necessity of the companies filling out triplicate cards for all their agents each year. As a result, new forms will be sent out this year and companies will not be able to use their old supplies.

After the licensing of the agents this year the companies in the future will file with the department by April 1 of each year an alphabetical list of all agents and in addition a list of new agents licensed and a list of agents cancelled. The companies will also be required to notify the department immediately on the agents cancelled. The fees will remain the same as in the past.

A bill setting up the new plan will be introduced in the Iowa legislature shortly but the department is setting up the plan to start this year.

### Ohio Local Boards Elect

Russell Kelly has been elected president of the Erie County Insurance Board, meeting at Sandusky, O. Alden Seitz is vice-president; Frank Copley, secretary.

William Snider has been elected president of Middletown (O.) Assn. of Fire & Casualty Underwriters. O. Ralph Grimes is vice-president; F. H. Swinehart, secretary.

### Qualification Bill in Iowa

DES MOINES — A bill requiring new fire and casualty insurance agents to take an examination given by the insurance department has been introduced in the house of the Iowa legislature. The bill is sponsored by Iowa

Assn. of Insurance Agents. Iowa Assn. of Life Underwriters also has filed a bill for life insurance agents in both houses.

### Reelect Pontiac Officers

PONTIAC, MICH.—Donald E. Hanson has been reelected president of Pontiac Assn. of Insurance Agents; Maynard Johnson, vice-president and Charles M. Eaton, secretary. Mr. Eaton

was presented a special gift in appreciation of his 14-year service to the organization.

### Appleton Board Elects

APPLETON, WIS.—Carl Zuelke has been elected president of Appleton Insurance Board to succeed Don Morsssey. Robert Land was named vice-president and Norman Hall reelected secretary.

## IN THE SOUTHERN STATES

### Thompson Holds C.P.C.U. Rallies in Several Tex. Cities

Wayne W. Thompson, assistant dean of American Institute for Property & Casualty Underwriters has been speaking at a series of meetings in Texas. That state has been a major center of interest in C. P. C. U. work for several years and Mr. Thompson was greeted with enthusiasm at all of his appearances.

His first Texas appearance was at San Antonio, before a luncheon meeting of Insurance Exchange of San Antonio. He explained the work of the institute, stating that many agents can tell the buyer of insurance that he has certain hazards which are not covered but can't explain why they are not covered. He said young men who have completed work for the business administration degree or a part of it show the best results from the course. The only C. P. C. U. at San Antonio is Robert Brownlee, special agent of Loyalty group, although several others have completed part of the courses and are continuing their work. Mr. Thompson was a guest at a dinner given by the group interested in the work.

Corpus Christi agents organized a study group as a result of Mr. Thompson's talk there. Dean Fitzgerald of University of Texas, who is a trustee of the American Institute; Bill Gammon, and James C. Cochran, both C. P. C. U.'s, sponsored a meeting at Austin, which is a center of C. P. C. U. activity in Texas.

American Indemnity was host at a luncheon in honor of Mr. Thompson at Galveston. H. F. Sanderford, treasurer of the company, was toastmaster and the guests were all agents and company employees preparing for C. P. C. U. examinations.

Agents of Beaumont sponsored a meeting there and Mr. Thompson was guest speaker at a luncheon arranged by the secretary of the association, C. O. Wilson, and Charles Smelker, local agent.

His final Texas appearance was at a luncheon at Houston, attended by 225 agents from all sections of south Texas. Houston has a large group of insurance people preparing for C. P. C. U. examinations at the University of Houston. These courses are sponsored by Insurance Exchange of Houston and Houston Casualty & Surety Round Table.

### New Atlanta Agency

Morgan-Parker Co. agency has been organized at Atlanta with offices in the Trust Co. of Georgia building.

O. J. Parker, Jr., a graduate of Georgia Tech, started in the insurance business with Great American Fire at New York in 1925. Later he returned to Atlanta as secretary of the Dickey-Mangham Co. He opened his own agency in 1935.

Henry D. Morgan entered the business in 1928 and started his own agency in 1935.

### Opens Branch at Greenwood

W. L. Dickens, an independent adjuster of Memphis, has opened a branch office in the Kantor building, Greenwood, Miss., with Charles E. Hony as manager.

BOSTON. Manufacturers Mutual Fire has been admitted to Virginia. Charles H. Merriman, Jr., of Waynesboro is state agent.

### Ask Public Representation on N. C. Rating Boards

RALEIGH, N. C.—A move to require public representation on insurance rate making boards in North Carolina has been launched in the legislature. At a hearing of the senate insurance committee Commissioner Hodges was asked to consider proposal and "discuss" with carriers.

As now constituted, rate-making bodies in North Carolina for automobile, fire and workmen's compensation insurance, now are composed only of representatives of companies which write insurance and no public hearings are held or prior notice given the public of rate increase requests.

At the committee hearing Senator Little said he had been approached by "a number of persons" who think the public should be represented on such boards, and asked Hodges if he had "any plan" for putting such a proposal into effect.

Mr. Hodges stated that he had given the matter any thought. Senator Little requested that he "give it a little thought and discuss it with others, including the carriers." Mr. Hodges said he would.

Pointing out that although rating bureaus suggest rate changes, the changes have to be approved finally by his department, Mr. Hodges told the committee that at present insurance companies determine which shall be represented on rating bureaus and then these companies designate the men they will represent them on the bureaus.

Asked if he thought "public hearings would be any help," Mr. Hodges stated that his department has "never opposed public hearings but stated that if they are authorized we would have to increase our personnel greatly." He estimated that if every request for a rate change is given a public hearing, the department would have to hold at least one hearing a day.

The practice under the existing law which does not require public hearings is for the commissioner to announce the rate changes the day they go into effect.

Mr. Hodges was told at a house committee meeting that many people in the state have the idea that "the department is working hand in hand with the insurance companies," because the department

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ment only announces when increased rates have been granted and never makes public its refusals of increases.

He said one reason rate increases are not announced until they go into effect is to keep "lots of people" from canceling the policies they have and obtaining new ones. He said that if policies were converted it would postpone "the effective date of a rate increase that may be needed immediately."

He was asked why rates had increased "almost immediately" after the 1947 legislature passed a financial responsibility law, which increased insurance sales. Mr. Hodges replied that increased incidence of accidents and increasing repair costs were among the factors responsible.

### Bailey and Goss at Memphis

MEMPHIS — John B. Bailey, Knoxville, president, and George Goss, Nashville, secretary-manager, of Tennessee Assn. of Insurance Agents, addressed a meeting of Insurors of Memphis. Manager Goss discussed proposed state legislation, including a financial responsibility measure which is ready for introduction in the legislature now in session.

### C.P.C.U. Class at Knoxville

KNOXVILLE, TENN. — An east Tennessee C.P.C.U. class has been started here with Dr. Clyde Crobaugh of University of Tennessee as instructor. Ray Sullinger is supervisor of the Knoxville C.P.C.U. unit.

### "Replacement" Bill in N. C.

RALEIGH, N. C. — A bill has been introduced in the North Carolina legislature which would give insurance companies authority to write policies based on replacement value of insured property rather than on the "investment" valuation.

### Larson Sees Anti-Selection

Commissioner Larson of Florida announced that he is investigating the charge that some agencies of the state government are purchasing in private companies fire insurance on new fireproof buildings instead of placing the risk with the state's own replacement fund. He said it is not fair to the state to carry only in the fire fund the insurance on old dilapidated buildings that have a high rate and turn the low rated new buildings over to private insurers.

### Elect at Winston-Salem

WINSTON-SALEM, N. C. — H. W. Spaugh has been elected president of Winston-Salem Insurance Exchange, succeeding W. N. Brown. Marcus Wilkinson is vice-president and Meriwether Cunningham, secretary.

### Chattanooga in Class 4

CHATTANOOGA, TENN. — National Board has notified city officials that this city is dropped from class 3 to class 4, with a deficiency of more than 200 points. It is understood that the city will be given a reasonable time to improve fire-fighting facilities before actual rerating is begun.

The N. E. Whitmer agency and the Morie W. Good agency at Canton, O., are consolidating as of Feb. 1.

## EAST

### Prepare for Day of Customer Ascendancy: Hall

Today everyone in insurance, man or woman, is working overtime to take care of record premiums, J. Dillard Hall, associate agency director of U.S.F.&G., said in a talk before the annual meeting of Insurance Women of Baltimore. But, he added, the day is not too distant when business will be more elusive, when the gravy train will be replaced by the work train, and insurance will have to be sold.

Then the signs will go back up, "The customer is always right." The problem in an era of sales is not entirely production but public relations, doing the right thing at the right time, he said. Along with some other businesses, insurance is compelled by law and public opinion to conduct its affairs in the open. It is therefore important to know what the American people think, what they want and what they are going to do.

What does the public think of the business now? People view the companies as large financial institutions similar to banks that take in premiums and pay out losses, maybe. Increased reserves, premium income, investments, dividends, and fluctuation in stock are emphasized.

What the public should think of are the millions distributed by agents and employees, conviction of claim racketeers, a scientific and fair rating system, inspection services and their value, and the importance of insurance to credit.

The insurance product is not a commodity but a service. The policy or bond is not attractive as many commodities are attractive. They have no eye appeal. As a matter of fact, he said, they need streamlining.

Research work is necessary to avoid costly attacks and to produce a better understanding of the business. Both men and women in the business now have a chance to give the public interesting and helpful information, to create a keener interest in insurance, its strength, service and achievement. He urged his listeners to strive to live up to the idea that "insurance is and will continue to be the one business without which other businesses could not function."

### Estep Addresses Buyers

W. K. Estep, manager of Middle Department Assn. of Fire Underwriters, addressed Insurance Buyers of Pittsburgh at a luncheon meeting.

### Alexander on Rate Control

HARRISBURG, PA. — Ralph H. Alexander, deputy insurance commissioner, spoke on "Insurance Rate Control" at a meeting of Harrisburg Fire & Casualty Underwriters Assn.

### Agents Head Pa. Committee

HARRISBURG, PA. — G. Edgar Kline, Pottsville local agent, has been

renamed chairman of the insurance committee in the Pennsylvania house. S. G. Kurtz, Lebanon agent, is vice-chairman.

### Doremus to Address N. E. Exchange Annual Rally

Secretary Frederick W. Doremus of Eastern Underwriters Assn. will be the dinner speaker at the annual meeting of New England Insurance Exchange Jan. 27. Also on the program will be George ("Birdie") Tebbets of the Boston Red Sox baseball team.

### Buffalo Agency Sold

Buffalo National Corp. agency of Buffalo, has been purchased by Raymond G. Christ and Howard J. Bradley, who will carry on the business under the name of Buffalo National Agency, Inc.

### Slate Rennie to Head Seattle Marine Group

Gordon Rennie, St. Paul F. & M., is expected to succeed Joseph C. Selz, Home, as president of Board of Marine Underwriters of Seattle. The annual meeting is Jan. 28. Mr. Rennie is now vice-president, and F. W. Perry, Union of Canton, is secretary-treasurer. Irwin Mesher, executive secretary of Washington Assn. of Insurance Agents, is secretary of this organization also.

### McNutt to Ky. Bureau

Eugene McNutt, New Albany, Ind., has been made assistant superintendent of the audit division of Kentucky Inspection Bureau, under Superintendent W. E. Clark. He succeeds J. W. Young, who recently became state agent in western Kentucky for North America.



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## NEWS OF FIELD MEN

### Home Names Urban in Tex. Field, Crane Promoted

Richard L. Urban, staff adjuster for Home at Houston, has been promoted to special agent, with headquarters at Lubbock, Tex.

Mr. Urban, who has been with Home since last May, will be succeeded as adjuster by Justin T. Crane, who joined Home last December after several years of adjustment experience at Oklahoma City.

### Bailey an Ohioan

In the Jan. 6 issue, an error was made concerning Scottish Union appointments. Scottish Union has appointed Donald C. Webster as state agent in Ohio to succeed Stanley F. Bailey, who has been promoted to agency superintendent at Hartford. It was incorrectly stated that Mr. Bailey had been associated with John W. Herd, retiring state agent in Missouri and Kansas. Mr. Bailey has been in the Ohio field and was not associated with Herd.

### Benson to San Jose

Carl A. Benson, Jr., special agent of Hartford Fire at Spokane, has been transferred to the new office at San Jose, Cal., and will handle the south coast territory for fire and marine business. He has been with Hartford since 1937, and has had two years of field

service in eastern Washington and northern Idaho. During the war, he was a maritime service ensign. He replaces Harry J. Morris who resigned to enter the local agency business at San Luis Obispo, Cal.

### Initiate 20 in Penn Pond

Penn Blue Goose initiated 20 goslings at the January meeting. E. W. Trenbath, most loyal grand gander, was guest.

Moving pictures of the Philadelphia Eagles-Chicago Cardinals professional football game were shown, with comment by Captain Al Wistert of the Eagles team.

### N. Y. Underwriters Rally

R. A. Tanner, vice-president of New York Underwriters, heads a contingent of five head office executives that is conferring this week with western field men at Chicago. They conducted a similar gathering for southern field men at New Orleans last week. Others from the head office on hand are Secretaries H. C. Davis, H. C. Klein, G. W. Owens and A. J. McDavid.

### Ind. Pond Luncheon Feb. 7

The next monthly luncheon of Indiana Blue Goose will be held at Indianapolis Feb. 7. Toner Overley, manager of Indianapolis Better Business Bureau, will talk on quack medicines.

### Robinson Ohio Field Speaker

Walter A. Robinson, new Ohio superintendent, will address Ohio Fire Underwriters Assn. at its meeting at Columbus Feb. 8. He will tell about the department and its operations. The executive committee of the association holds a meeting Feb. 7 at Columbus. The following day the executive committee of Fire Prevention Assn. of Ohio will meet there.

### Speakers to Hear Junge

Ohio Stock Fire Insurance Speakers Assn. will meet Jan. 31 at Columbus. Harold J. Junge, Columbus manager of Underwriters Salvage Co., will talk on its work.

### Buzzell Elected in Mass.

Western Massachusetts Field Club, meeting at West Springfield, elected these officers: President, F. Gilmore Buzzell, Hanover Fire; vice-president, Charles G. Bulkley, Springfield F. & M.; treasurer, Peter J. Levins, Automobile; secretary, Robert E. Burnham, Phoenix of London; executive committee member, Russell P. Harrington, American.

### So. Cal. Field Men Confer

Southern California field men of the Fireman's Fund attended a conference at Los Angeles Jan. 24-26.

President James F. Crafts, Vice-president Raymond L. Ellis, and Assistant Marine Secretary Woodward Melone attended the conference.

### Blood to Home Office

Parkhurst H. Blood, state agent in Kentucky of New Hampshire Fire for three years, has been called to the home office. His successor in Kentucky has not been named as yet.

### Memphis Puddle Has Dinner

About 35 members of the Tennessee Blue Goose at Nashville attended a dinner meeting given by the Memphis puddle. Lance Dobbs, L. & L. & G., big toad, was master of ceremonies.

### Chickasha, Okla., Inspected

Oklahoma Fire Prevention Assn. had a banner inspection meeting at Chickasha. Speakers included M. R. Strong,

Great American, who talked at a luncheon sponsored by the Chamber of Commerce; John H. Jones, Phoenix of London, who addressed the Rotary club and gave a 15-minute talk over the local radio station; G. K. Gordon, Trezvant & Cochran, and F. A. Daniel, London & Lancashire, who spoke in the schools.

### Fire Assn. Names Two

Fire Association has named Arthur Bunker as special agent and Charles Branson as staff adjuster at Los Angeles.

### Achatz Promoted in Ohio

Home Insurance has promoted James J. Achatz to special agent at Columbus, O. Mr. Achatz joined Home in 1947 as an underwriter at Columbus.

### Inspect Big Rapids

With 22 members participating Michigan State Fire Prevention Assn. held an inspection at Big Rapids. At a luncheon sponsored by the combined service clubs, Raymond L. Jennings spoke.

### Alamo Pond Initiates

Alamo Blue Goose held its mid-year splash Jan. 17 and initiated four candidates. C. A. Woolford, Dallas, Texas state manager of Hartford Fire, was a guest.

The offices of Phoenix of London that have been maintained at Houston are being moved to the Gulf State building, Dallas. R. L. Robinson is in charge.

Walter J. Seelinger, Wayne County chairman of Michigan public relations committee, addressed a luncheon meeting of the U. & I. Club at Detroit on "The Fifth Horseman-Fire."

New officers of the women's auxiliary of the *Alamo Blue Goose*, San Antonio, are: Mrs. M. B. McDonald, president; Mrs. Fred Crawford and Mrs. D. B. Caldwell, vice-president; Mrs. John C. Griswold and Mrs. E. B. Moore, secretaries; Mrs. E. W. Maurer, treasurer. A gold pin embossed with the Blue Goose emblem was presented to Mrs. W. H. Quirk, first president of the group.

## CHICAGO

### CRIMINAL NOTE

A Chicago broker tells of an experience that happened to an assured, which he feels may be suggestive of a current criminal technique. The wife of this assured one morning in answering through the tube, when the bell rang in the apartment, got the reply that the man below was an "insurance underwriter," that he was looking for her husband, because the insurance on his "1948 maroon Chevrolet coupe" had "elapsed" and that he had a paper for the wife to sign. She wouldn't let the man in and told him to come back when her husband would be at home. He rang again in five minutes and on still being refused admittance, said that he didn't have time to come back that evening. The woman watched out the window and saw that he went to a car in which a companion was waiting and they drove away. The husband had the car downtown at the time and the men apparently had complete information.

### "GOLDEN VOICE" STAYS HERE

The Chicago insurance and reinsurance office of Leslie H. Cook in 1859 Insurance Exchange building, has now become incorporated as Leslie H. Cook, Inc.

Mr. Cook has been somewhat embarrassed because of a prominently displayed article leading the society column in the Chicago "Daily News" the other day, captioned "The Leslie Cookes For-Sake Chicago; Turned Bermudians—He Prefers Golden Voice Radio Glamour to Insurance Business." The article went on to say that Leslie Cooke had decided to give up his insurance business in Chicago and move to Bermuda to go on the radio. It referred to Mr. Cooke's

wife, the former "Pamela Churchill Watson" and this caused the friends of Mr. Cook at 1859 Insurance Exchange to wonder what was up because the 1859 Insurance Exchange Cook's wife's name was formerly Watson. The story was somewhat baffling, however, because the 1859 Cook has not for some years been characterized as "glamorous" or as possessing a "golden voice." So far the 1859 Insurance Exchange Cook has received some 73 telephone calls. Mr. Cook opines that the "Daily News" society reporter got mixed up. He said that the reporter had telephoned Mrs. Cook, that is, his Mrs. Cook, and had been very insistent that she reveal the story of the Bermuda move, even after Mrs. Cook had tried to explain that the reporter was talking to the wrong Mrs. Leslie Cook.

The story started off by identifying the Bermuda bound family as Cooke, but later in the article dropped the "e." Leslie (1859 Insurance Exchange) Cook wants it thoroughly understood that he is not going to Bermuda, and that he will take a poke at the next man that calls him "golden voice."

### KINZIG NEW PRESIDENT

Joseph H. Kinzig was elected president of Honor Service Club of the western department of National Fire at the annual banquet. Vice-president is Carl H. Sachs; secretary, Helen A. DaBois and historian, Edward F. Edler.

### George Cook Is Honored

George Cook, retiring Missouri state agent of Providence Washington, was honored last week at a party at the Kansas City Club. Earl Miller, and Elton Millman, assistant managers in the western department at Chicago, represented the company together with Frank M. Pruitt, who is succeeding Mr. Cook in the Missouri field.

Mr. Cook was presented a wrist watch and band on behalf of the company.

This week he was honored with another party which was given by the field men of the Missouri territory.

## WANT ADS

### AVAILABLE

Combination Adjuster, 29 years old, married college education, experienced in all lines, except marine. Desire connection with a future Minimum salary \$350.00 per month. Prefer southwest or Missouri. Address T-13, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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**AUTOMOBILE UNDERWRITER**  
Fully experienced all branches automobile insurance, including claims and production. Capable of assuming full charge of automobile operations. Have country-wide connections. Now employed. Successful past record. Address T-12, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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## Pa. Hearing on Rate Deviation Filing

(CONTINUED FROM PAGE 1)

is limited to: (a) Certain geographical territories, namely Philadelphia and its four suburban counties, and Allegheny county. (b) Certain geographical areas within rating zones. (c) Certain selected classes of risks.

Whether or not the statistical data furnished with the filing justifies a uniform percentage deviations.

Whether or not the proposed deviation affects so-called minimum premiums.

Whether or not the proposed deviation complies with existing laws, and is in the public interest.

Any other matters which you may wish to present in support of the proposed deviation.

### Wants Statistical Data

Mr. Malone requests North America to furnish at the hearing statistical records over at least the past five years of its experience in the classes covered by the proposed deviation for all territories within the state not included in the proposed deviation, as compared to its experience over a similar period in the territories included in its proposed deviation. Also the comparative experience on classes embraced in the deviation filing and those not involved in the proposed reduction "particularly in the case of your grouping of so-called non-manufacturing classifications." Also a comparison of North America's experience and that of Middle Department Assn. of Fire Underwriters.

Mr. Malone wants North America's records to support credibility of premiums and loss experience as reflected in the proposed deviation and its statistical records indicating the extent to which agents' commissions have been reflected in the present rates and are reflected in the proposed deviation in the territories to which the proposed deviation applies and in all territories within the state.

The classes of fire insurance on which the 15% premium reduction is sought, and which would be passed on to agents in the form of a reduction in commissions, are:

Philadelphia: Churches and chapels, public buildings, mercantile risks, non-manufacturing, and sprinkler-equipped non-manufacturing. Estimated annual deviation: \$43,000.

Philadelphia suburban (counties of Bucks, Chester, Delaware and Montgomery): Churches and chapels; public buildings, mercantile risks, residential, farm property, and non-manufacturing, \$160,000.

Allegheny county (including Pittsburgh): Residential, mercantile risks, non-manufacturing, and use and occupancy non-manufacturing, \$44,000.

John Henry Martin, manager of Standard Forms Bureau, San Francisco, addressed a meeting of Visalia Assn. of Insurance Agents on the latest developments in fire insurance forms. Mr. Martin has appeared before numerous agents' groups in the past year throughout the Pacific Coast territory, explaining changes that have taken place.

### FOR SALE

Sanborn Fire Maps of Cook County, Illinois

Volume 1, North, West and South Pages 1 to 94.  
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Maps up to date to Jan. 1-1949.

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## Stott to Act as N.A.I.A. Secretary

NEW YORK—At the close of a three-day meeting here, the executive committee of National Assn. of Insurance Agents appointed John C. Stott secretary on a full-time basis, effective March 1, to succeed Frank C. Colridge, retiring secretary. The interim appointment of Mr. Stott, who is N.A.I.A. president, was made to allow the executive committee to study further the choice of a final successor. A subcommittee has been appointed to interview applicants for the position.

The committee with O. Shaw Johnson, Clarksdale, Miss., in the chair, was held expressly to select a new administrative officer. Mr. Colridge will take over as general manager of Pacific Board. Mr. Stott's secretarial services will be in addition to his current duties as president.

### Tremaine, Vice-president of Meserole Group, Retiring

L. P. Tremaine, vice-president of the Meserole group, is retiring on pension next week after 33 years with Pacific Fire. A luncheon will be given him Friday by fellow officers and associates in the company.

Mr. Tremaine went to New York in 1908 from Canada and spent several years in the reinsurance field, including a time with Barry & Tremaine, in which he was a partner. He joined Pacific in 1915, and has been concerned chiefly during his career with country-wide brokerage operations, general cover, and reinsurance.

He will continue as a director. After a vacation in Florida, he will spend most of his time on his 12-acre place at Sparta, N. J.

### John J. Gorman Is Named

John J. Gorman, executive vice-president of the George Herrmann & Co. insurance agency, Chicago, who is serving his sixth term in the Illinois legislature, has been named chairman of the insurance committee of the house.

### Frank Yetka Dies



FRANK YETKA

Frank Yetka, 60, Minnesota insurance commissioner from 1935 to 1941, died in his home at Forest Lake, Minn. Mr. Yetka was educated at St. Paul College of law, served in the city council of Cloquet, Minn., became city attorney at Two Harbors and then at Cloquet. He was attorney for Carlton county from 1931 to 1935. Mr. Yetka had been in failing health since his retirement from the insurance department.

## Three New Appointments by Manufacturers Casualty

Manufacturers Casualty appointed A. L. Van Ness chief underwriter at Pittsburgh. He is in his 21st year in insurance, having started as a payroll auditor for Globe Indemnity. For ten years he was the educational director of a mid-west company and later became manager of a home office department of Continental Casualty. He recently resigned as superintendent of casualty underwriting and office manager of the Pittsburgh office of Continental.

M. C. Kindig has been appointed special agent to work out of Pittsburgh. He has had considerable experience as a field man in that territory.

James E. MacCollum has been named underwriter at Syracuse. He has been with U. S. F. & G. there as an underwriter. He studied at Syracuse University and spent two years in the army.

## Burlingame Buckeye Boss

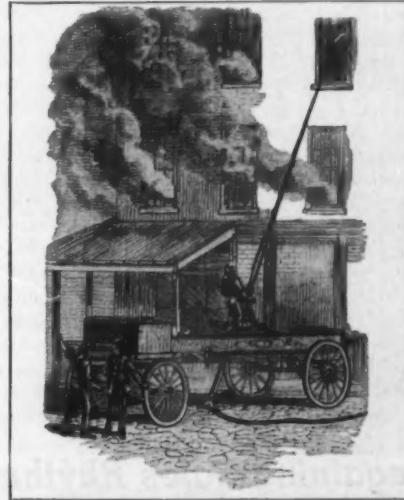
About 50 attended the annual banquet Tuesday of Chicago Buckeye Club consisting of ex-Ohiobans who are now Chicago insurance men. Homer Burlingame, Western Adjustment, was elected president to succeed V. L. Montgomery, North America, while Phil Beebe, Hartford Fire, and Lyman Drake, Critchell Miller agency, are vice-presidents, and T. J. Ocasek, Rollins-Burdick-Hunter, is secretary.

## Hear Sales Ideas at K. C.

Casualty & Surety Underwriters Assn. of Kansas City at the January meeting heard Campbell Hodge, manager of National Surety, and Chester Miles, bond department manager of R. B. Jones & Son, on "Fidelity Bonds, If Not, Why Not?" Messrs. Hodge and Miles gave sales tips and production ideas for bond selling.

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Some of civilization's greatest advances have been accompanied by new hazards from man's oldest enemy — fire. These perils have been met by steady improvement in the speed, power and efficiency of fire-fighting equipment — and by modern insurance service and protection. Since before the days of railroads and steamships, Caledonian agents have taken pride in the up-to-the-minute protection given to their policy holders.



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## EDITORIAL COMMENT

### Malone's Decision Wise

Commissioner Malone's decision to hold a public hearing on the fire insurance rate deviation filing of North America on certain classes of business in Philadelphia, Philadelphia suburban and Allegheny county is probably a very wise one in view of the importance of the issues that are raised by this particular filing, although as a general rule to put such obstacles in the path of a company that desires to chart its own course would undoubtedly provoke rebellion against the new system of rate regulation. Here the agents and the other companies have attached so much significance to North America's departure and the issues involved are so important that a thorough ventilation of the problem seems to be indicated for the protection and enlightenment of the Pennsylvania department as well as to give the entire industry an insight into the forces that are involved.

So much heat has been engendered by this filing that had Mr. Malone undertaken to give a decision without a public hearing, he would be in hot water. Also, it may be that out of this situation will come a general recasting of the rate setup and that an industry-wide approach to the problem may be indicated, in which case Mr. Malone may be able to avoid having to face giving a "yes" or "no" answer on this particular filing.

This situation in Pennsylvania brings out in bold relief the matter of the relationship between rates of commissions and rates of premium in the new era of rate regulation. This is a question

that has been sidestepped and treated variously although everyone probably has recognized that sooner or later it is a fundamental question that has to be faced and threshed out.

In Chicago for some time now, North America has been selling fire insurance on some classes at 10% off tariff and on other classes at 15% off. While this caused considerable to do locally at the time the change was made, it didn't cause near the consternation nationally that the Pennsylvania filings of North America are causing. Chicagoans suggest that this is because Philadelphia is only 90 miles from New York, whereas Chicago is closer to 900. However, the difference in the degree of reaction may be due in considerable part at least, to the fact that in Chicago the rate deviation was not spelled out nearly as distinctly as in Pennsylvania, as arising from a reduction in commissions to agents.

This is simply one of the basic matters that is accented by the North America filing. All in all, the interests of the whole industry are involved so significantly in this problem that we think Mr. Malone reached a very sound solution in calling for a hearing. We do think, however, that a word of caution needs to be uttered against state officials as a routine matter, trying to duck responsibility or to implement perhaps some policy of uniformity to which they may be committed, by holding up the threat of a public hearing directed to an independently minded company.

### Regaining Sales Rhythm

People are beginning to express their long suppressed desire to be a customer again. In one line after another they have discovered it is no longer necessary to engage in strategy, utilize wiles and perhaps even to put up with a clerk's hauteur, to get what is wanted. The return of the buyer's market is something that is being enjoyed to the utmost by those that have wants to be filled and cash to do it with. Shopping, comparing merchandise, taking advantage of seasonal opportunities, etc., is injecting a lot of oldtime zest into the life of the housewife.

Merchants who have prepared for this turn of events, and who are prompt and skilful in adapting their operations to it will come out on top.

This new flexing of muscles by the customer is not going to be confined

to dealings with storekeepers. There are signals these days that the local agent and broker must heed. For the past several years now renewals of insurance have been accomplished automatically and with rates and premium outlay on the increase. Competitive rates have been lacking and the insurance salesman has been so occupied in filling orders and taking care of inside detail that he has had no time to solicit new accounts. As a matter of fact he has shunned new business because of the difficulty of taking care of it.

Today we hear evidence on all sides that the reaction of assured has changed. Motorists, for instance, are questioning the amount of their automobile premium on renewal and some of them are taking a walk. An agent told us the other day that he had to spend two

hours persuading a customer to retain his personal property floater. He was determined to cut down his expenditures in this matter by \$100 and set out with the idea of reverting to fire and extended coverage and burglary insurance. Here the agent was able to save the day by providing a \$25 deductible instead of full coverage. These are the types of incidents that are being volunteered to us by agents and brokers in the course of casual conversation on that fascinating subject of "How is business?" They are, we think, of the utmost significance.

The time has arrived, it appears, when the producer can no longer look on his renewal account as secure. If he has the freedom these days to seek new business, he must realize that this is not a situation that is peculiar to him, but that his competitors again are likewise engaged in the hunt for new business. This means that a great many more hours of work in the field and study are going to be required to get anywhere near the ratio of renewal of existing business that has been gotten in the past. He is going to have to resell himself to many of his clients and he is going to have to resell many an insurance program.

To the true salesman this is not a

forbidding prospect. As a matter of fact, he should welcome the opportunity to get back in the field and talk insurance and develop the spark that comes from animated sales activity. That is the normal tempo for the salesman. In the past few years he has had to convert himself into an inside worker. The complaints that we have heard about the great amount of detail that has engulfed insurance practitioners have come mainly from men to whom such detail is abhorrent. They are outside men by nature and they have been cramped, cabined and confined by the routine that has overwhelmed them during the recent years.

At the same time their separation from oldtime selling has perhaps impaired their confidence in their ability to return successfully to active solicitation. They may feel that they have become rusty, that they have lost their old authority. Those agents who are possessed by such misgivings should lose no time in breaking out of the jail of their offices and get face to face with their customers upon renewal and try their hand at bringing in some new business. They need to develop a new rhythm of activity. The quicker such an agent takes the plunge, the sooner he will be attuned to the new necessities of the market.

### Hershey and Parkinson

The Illinois insurance fraternity is well pleased with the appointment of Harry B. Hershey as insurance director. It indicates that Gov. Stevenson appreciates the important days that face insurance and the importance that Illinois occupies in the future of state supervision. Mr. Hershey was one of the most valued men to be placed in the new state administration and it is heartening to find him in the insurance

seat at Springfield.

At the same time all hands in the insurance field regret to see the passing of Nellis P. Parkinson. He has been an exceptionally conscientious administrator and has tackled every problem that has faced him with a determination to provide the fair and correct answer. Where he has moved slowly it has been because of his desire to be sure. His record is most creditable.

### PERSONAL SIDE OF THE BUSINESS

W. Gordon Cooper of Griffiths, Tate, Ltd., Lloyds brokers at London, is in this country for several weeks. He expects to be stationed for six weeks in the Chicago office of Peerless Casualty, of which A. J. Helmick is manager, and he will also travel with Mr. Helmick visiting accounts.

D. Farley Cox, Jr., president of Aupleton & Cox, is taking an extensive trip throughout the United States. He will visit branch offices and agencies at Chicago, Kansas City, Denver, Seattle, San Francisco, Los Angeles, El Paso, Houston, Dallas, Oklahoma City, Tulsa, New Orleans and Atlanta. He is not expected to return to New York until March 14.

Ralph G. Hinkley, who is retiring as New England manager of American after many years service, was given a testimonial luncheon at Boston by mem-

bers of the Bay State Club, New England Insurance Exchange and Boston Insurance Library Assn., in all of which he had been prominent. William T. Jordan, president, and Ralph Sweetland of the exchange spoke of Mr. Hinkley's association with that organization. President Jack Duffey of the Bay State Club presented Mr. Hinkley a complete set of golf clubs and a silver mounted golf bag.

Lloyd L. Gaines, Commercial Union state agent, Topeka, is recuperating in St. Luke's Hospital, Kansas City, Mo., following an operation.

Edward V. Mills, vice-president and comptroller of Firemen's Fund, has been elected president of San Francisco Commercial Club.

Milton J. Grant, Pearl River, N. Y., New Jersey special agent of Commercial Union, is the subject of a lengthy, 2-part

### THE NATIONAL UNDERWRITER

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EVERY THURSDAY

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WASING ASSOCIATIVE COMMITTEE ON ASSOCIATION OF INSURANCE RIER INSURANCE INDUSTRY COMMITTEE TO INCREASED DUCTIBLE RATES CONTINUE. HARTFORD CLAIM OF STEAD, N. Y., WHO HAS BEEN CLAIM OF STEAD, N. Y., WHO HAS BEEN

article in the New York "Herald Tribune," for his success in getting out the Republican vote in his community. Mr. Grant is Republican leader of Pearl River and treasurer of the Rockland county Republican committee. The town voted 74.5% for Dewey in the recent election.

**Thomas O. Nuckles**, new state agent for Hanover in Ohio, is the son of the late Thomas O. Nuckles, who was for many years farm state agent in Missouri for Springfield F. & M.

**Fred B. Galbreath**, Pacific Coast manager of Marine Office of America, has been elected president of Marine Exchange of San Francisco.

**Willard W. Glaze** of the Langham, Langston & Burnett agency of Houston, has been elected potente of Arabia Temple of the Shrine.

## DEATHS

**Matthew T. Slattery**, local agent at Cleveland, died there. He was at one time state agent for Atlas Casualty and Fidelity & Casualty.

**William L. Leonard**, who retired in 1942 as western department general agent of Fireman's Fund, died last Saturday night at St. Francis hospital, Evanston, Ill., whence he had been taken a few days earlier due to a cerebral hemorrhage. Mr. Leonard was born at St. Louis and his first insurance employment was with American Central of that city. He later went into the Indiana field for Phoenix of London and in 1919 went with Fireman's Fund in the same territory. He was transferred to Chicago in 1928 as general agent. His age was 72. A nephew, Leonard Gockel, is with Newhouse & Hawley at Chicago. Funeral services were held at St. Michael's church, Evanston, and burial is at St. Louis.

**Arthur J. Orth**, 38, district underwriter at Atlanta for Employers Mutual Liability, died at his home at Decatur. He graduated at University of Wisconsin in 1932 and joined Employers in 1934.

**A. Ford Dickerson**, local agent at Decatur, Ill., was killed Tuesday morning only a short distance from his home when he was struck by an automobile. He had been in the business at Decatur for about eight years.

**Charles A. Miller**, 67, Fullerton, Neb., local agent for 33 years, died suddenly as the result of a heart attack.

## S. H. Warner Now V.P.

**S. H. Warner** has been made vice-president of E. H. Crump & Co., Memphis local agency. He graduated at University of Pennsylvania and entered the insurance business with North America. He was later with Home and Pearl and entered the agency business in 1940 with Henry W. Brown & Co. of Philadelphia as manager of the fire insurance department and secretary of Colonial Assurance.

In 1945 he became manager of the fire insurance department of E. H. Crump & Co. and in 1947 was appointed vice-president and director of Southern American Ins. Co.

## Drop Truck Insurer

**WASHINGTON** — American Trucking Associations announced its executive committee has decided to defer action on "a proposal under which the association would set up its motor carrier insurance company."

"The committee directed the trucking industry insurance advisory committee to develop a program calling for increased use by motor carriers of deductible policies," the announcement continued.

**Hartford Accident** has opened a branch claim office at 250 Fulton avenue, Hempstead, N. Y., in charge of James A. Harvey, who has been with the organization since 1936.

## Lukas to Ill. Field Post for Fireman's Fund

**Michael A. Lukas** has become associated with Fireman's Fund as northern Illinois state agent. He takes the place of Arthur T. Marrow, who has gone with National Fire. Mr. Lukas is a fire protection engineering graduate of Armour Institute, class of 1934. Then for six years he was with Factory Insurance Assn. of Chicago. Since then, until recently, he has been with America Fore except for navy service during the war. With America Fore he had both office and field assignments.

## Dreyer to San Francisco

**Ralph H. Dreyer** has been transferred from the Washington field by Great American to become superintendent of the city department at San Francisco. He is succeeded in western Washington by Leonard W. McChesney. The latter joined Great American in 1938 after graduating from Dartmouth. He served in the war and emerged as a major. He has been traveling on the coast recently for another company.

**Eric H. Korte**, who has been chief examiner for Idaho Surveying & Rating Bureau, has joined Great American as special agent for southern Idaho to assist Special Agent Roy Donaldson. His headquarters will be at Boise and Mr. Donaldson will retain his headquarters at Salt Lake City.

## Syndicate Elects

**J. N. Robinson** has been elected chairman of Great Lakes Underwriting Syndicate of New York. Vice-chairman is R. R. Dwelly; underwriter, S. D. Livingston; treasurer, R. F. Weyant; assistant treasurer, H. Doriman; secretary, Mr. Livingston and manager of loss department, O. J. DuFour.

## Basinger Is Chairman

**Stock Fire Insurance Field Club** of Charlotte, N. C., has elected as chairman, Pryde W. Basinger, independent adjuster; secretary, George W. Harris, American; chairman public relations, P. L. Carlton, Crum & Forster; membership, Gene Rushin, Hartford Fire; outside activities, Jack Smith, Aetna Fire.

## No Probe Move Yet

**WASHINGTON** — The Senate judiciary committee has organized without setting up an insurance subcommittee. Chairman McCarran will make no move toward a Congressional investigation of the insurance industry, it is understood, unless and until somebody else does. In that event the Senator will demand that members of his committee participate jointly with House members in any investigation that may be ordered.

Rep. Celler, chairman House judiciary



Among the 75 on hand for the gathering of field men in the Pacific and mountain states territory of Fireman's Fund at San Francisco this month were Marshall W. Parker of Denver, center, and Garth Dill of Seattle, right, one of the oldest and youngest respectively of the field men attending. They were welcomed to the meeting by Raymond L. Ellis, left, vice-president of Fireman's Fund.

committee and proposer of an insurance investigation by that body, was expected to return here this week and call an early meeting. He has yet to make a formal move for insurance investigation.

**Senator Frear**, Delaware Democrat, heads the insurance, banking and utilities subcommittee of the Senate District of Columbia committee.

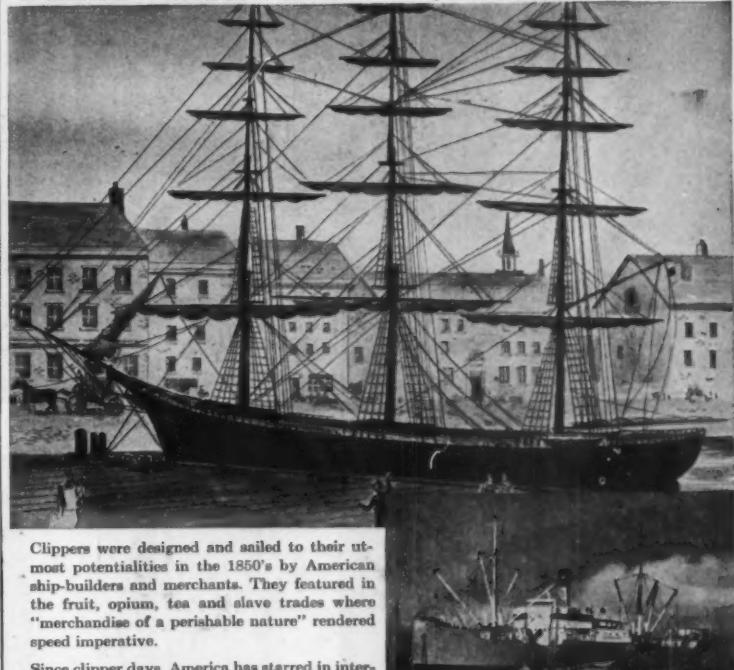
**James M. Crosby, Jr.**, former president of Michigan Assn. of Insurance Agents, has been named chairman of

the professional division of the United Hospitals Fund drive at Grand Rapids.

## Parking Lot Held for Loss

The Connecticut supreme court has ruled in a case involving Lawrence Santora of Waterbury that parking lots which insist on keys being left in automobiles are liable if anything then happens to the vehicles. The cars of two motorists were stolen from the Santora lot in 1946. Santora was held responsible though the parking ticket denied responsibility.

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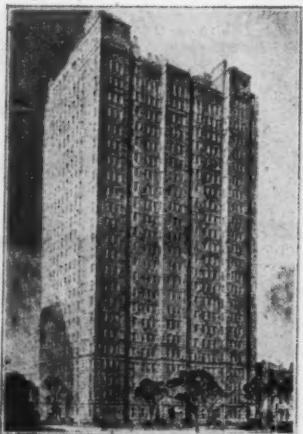
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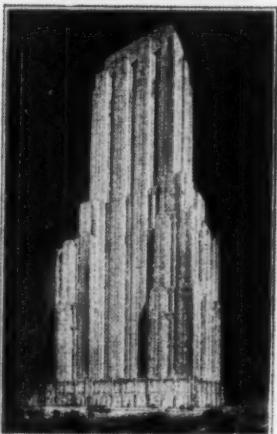
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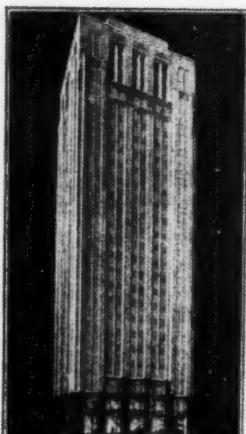
1500 Lake Shore Drive  
McNally & Quinn, Architects



Palmolive Building  
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Medina Athletic Club  
Walter W. Ahlschlager, Architect



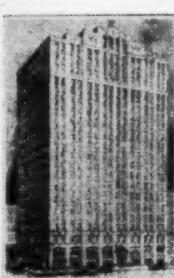
Buckingham Building  
Holabird & Root, Architects



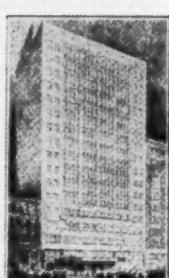
300 W. Adams Building  
Jens J. Jensen,  
Architect



Hotel McCormick  
E. J. Moles,  
Architect



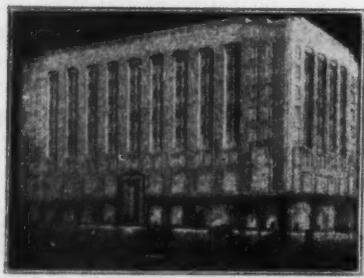
Jackson-Franklin Building  
A. S. Alschuler  
Architect



Stop & Shop Building  
Schmidt, Garden &  
Eriksen, Architects



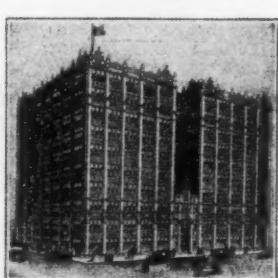
Holmes Garage  
Davis D. Meredith,  
Architect



Michigan Square Building  
Holabird & Root, Architects



Shorthand Hotel  
G. H. Gottschalk Co., Engineers



1900 Building  
A. S. Alschuler, Architect

We at the American Glass Company take pride in the fact that we have glazed and continue to service the largest buildings in Chicago as shown above. We also represent the KAWNEER METAL COMPANY, using the best Kawneer material on the remodeling, building and maintenance of Chicago's finest store fronts.

We fully recognize that one of the main values of plate glass insurance is the replacement service... and in offering that type of service, you can always be certain that American Glass Co. will act promptly and efficiently as soon as you call.

Members of the Chicago Association of Commerce

BENJAMIN BERIS, President

**American Glass Company**  
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## Dorsett Takes up Cudgels Against Critics

### Casualty Leader Insists Business Firmly Meets Its Public Responsibilities

The casualty and surety insurance business is firmly meeting its public responsibilities, particularly with respect to reasonable rate levels, market demands and maintenance of free competition, J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, declared in his talk last week before Midwest Insurance Buyers Assn. at Chicago. Whether or not it was so intended, Mr. Dorsett's talk replied in forceful fashion to some of the strictures that E. L. Clark of the J. C. Penney Co. has been delivering recently.

Mr. Dorsett compared the rate increases for the casualty and surety business with the increases in living costs. Since 1939, he pointed out, food has gone up 126% and the general consumer commodity index approximately 75%. The national average increase in the price of automobile repairs since 1939 is 125%, and medical costs are up 30%.

Comparing those figures with insurance rates, Mr. Dorsett noted that automobile liability rates have gone up only 21.2% despite a claim cost increase of 45.8%. Boiler and machinery rates have advanced 12%, burglary 10%, and workmen's compensation has gone down 18%, even taking into account changes in the laws which broadened coverage. Liability other than auto has shown a 5% drop. Only glass insurance has increased to a comparable level with the consumer commodity index. In the fidelity and surety field, construction contract bonds are down 20 to 40% and commercial blanket bonds are down 52%. Blanket position bond rates have decreased 65%, bankers blanket bonds 64%.

#### Profits Down on Big Volume

During this time the insurance companies have been writing an unprecedented amount of business. Mr. Dorsett said that there is a general feeling that the companies have been making a lot of money, but the opposite is true. He cited the underwriting profit of stock companies licensed in New York, stating that it was 6.1% in 1941 on premiums of \$714,612,825, and in 1947 on a volume of \$1,436,061,197, double the 1941 totals, the underwriting profit was less than 1%.

He explained the casualty capacity situation as a problem that has resulted largely from a mixture of unprecedented demand and supervisory limitations. The market shortage in the casualty business has never been as acute as it has sometimes been pictured, he declared, and in the fidelity and surety field it has been non-existent. Some risks are not insurable under any conditions because of the loss experience, while others are borderline cases. In normal times when rates and reserves are adequate, companies can take care of borderline risks, but when they are faced with heavy unearned premium reserve requirements, that business must be rejected.

There is no denial that there have been market problems, and neither is

## Downey's 'Minimum' Bill Is Ready

LOS ANGELES — Commissioner Downey has commenced to hold open conferences on insurance legislation proposed for sponsorship by the department. Thirty bills are enumerated in the notice of the conference. Ten others tentatively have been mentioned.

Probably the bill that will attract the widest attention is that relative to minimum benefits, minimum standards, minimum indemnities and minimum coverages in A. & H. policies. The draft takes up 25 pages of typewritten copy, double spaced, and gives as the purpose of the act "to prevent fraud and mistake, and economically unsound insurance in which premiums are disproportionate to benefits because of excessive acquisition and administrative costs in relation to benefits promised."

there any doubt that they have been greatly exaggerated, he said. No fair appraiser would say that the companies have done and are doing everything reasonably possible, consistent with the kind of underwriting practices that protect buyers' interests. There are signs that demand is approaching stability and that the efforts of the companies are beginning to bear fruit. Unearned premium reserves are becoming more liquid and borderline risks are recognizing their responsibility to improve loss experience.

"The capital stock casualty and surety companies for which I speak are fully aware of their public responsibilities, are keenly alert to the sharp competition they encounter now and will meet with increasing force in the future, are wide awake to the dangers which still confront the entire private enterprise system," he declared. "We matured in the hard but efficient school of experience. We are quite awake to the truth that the seller's market today is the buyer's market tomorrow; that in business unfair treatment begets retribution.

"Our companies want to hold the business they have and write as much new business as sound underwriting principles permit. They want to make the benefits, safeguards and comforts of insurance protection available to everyone who wants that protection and is insurable. Toward these ends they are, spending time, effort and money. But there is one line they will not cross at any price—they won't sell you short at the underwriting window."

About 30 buyers attended the meeting, at which Gordon F. Purtell, American National Bank, presided. Mr. Purtell is secretary of the buyers group. Arthur Murray, Container Corp. of America, the president, was unable to attend as he is recuperating from a recent illness.

Nominations for new directors were announced. The election will be next month. The nominating committee chairman is Frazier S. Wilson, United Airlines. Roy Gillan, Bureau of Safety; C. H. Senecall, Wisconsin Public Service Corp., and R. F. Stephens, Tribune Co., were nominated for three year terms, and L. M. Faetz, Quaker Oats, and John H. Wamsley, Borg-Warner Corp., two and one year terms respectively.

Also on the agenda for the February meeting is a vote on amendments to the association's by-laws.

#### Neb. Kills Compulsory Bill

LINCOLN, NEB.—Compulsory automobile insurance legislation was killed by the state legislature's judiciary committee after hearing testimony by representatives of several insurance companies.

## R. C. Larson Tells Texans Advantages of Survey Selling

Texas Assn. of Insurance Agents sponsored a one day casualty and surety meeting at Houston that was attended by 225 agents and company men. Travis D. Bailey, local agent of San Antonio, was chairman of the meeting, and the opening speaker was T. Champe Fitzhugh of Waco, president of the Texas association.

Developing additional business "in your own backyard" was stressed by R. C. Larson, field supervisor of Aetna Casualty, in his talk at Houston and at Dallas the next day. He said many agents are concentrating on developing new clients and ignoring the vast opportunities for increased business among their present policyholders. He urged the agents to make intensive use of the customer analysis, classification and development plan.

One agent found that 647 of his customers had but one policy with his agency; 333 customers had but two policies with his agency and 168 had three or more policies.

Another agent found that among 2,606 customers, 2,470 had purchased only one policy from him, 124 had bought only two policies from him and only 12 customers had three or more policies.

#### Recites Testimonials

One agent said that during two years following the analysis of his customers, he had written \$35,000 in new premiums on old customers. Another increased his average commercial account from \$245 annually to \$646 and his personal insurance accounts from \$31.50 to \$95.70 annually.

The job of customer analysis and classification is worthwhile and necessary work and must be done if the agency is to grow on a sound basis. "Some day this boom will be over and these lush days of easy business will be just a pleasant memory. I know many agents who have done practically no soliciting for new business during the past few years. But when walk-in business stops walking in and when customers begin to telephone you to reduce their insurance rather than increase it, selling will again come into its own. When that day comes, the agent who is following a systematic plan of customer development need have no fears for the future. He repaired his roof when the sun shone and now that it is raining, he is snug and dry in his house."

Mr. Larson suggested that after the agent had analyzed his customers accounts he should then classify them as "A," "B" or "C"—the "A" customers being those with the best potential for the development of additional business, the "B" customers being an intermediate group, and the "C" customers those who purchase only one or two small policies and are unlikely to buy any additional coverages. The agent should give his Class "C" customers whatever services they are entitled to, but should not spend a great deal of time trying to sell additional lines to them.

#### Delivering Renewals

Renewals for "B" customers should be delivered in person and the agent should try to get them to increase their limits or amounts of insurance to proper levels, and, also, to buy additional needed coverages. The class "A" customers should be followed up individually and their accounts should be developed through the medium of well made insurance surveys.

Mr. Larson said Aetna keeps records of the business produced by the surveys made by company personnel. Recently, the results obtained from 10,000

## Jones Succeeds Breidenbaugh with Nat'l A. & H. Assn.

### Retiring Executive Secretary Enters Consultant Field

O. J. Breidenbaugh, who has been executive secretary of National Assn. of A. & H. Underwriters since August, 1946,



W. J. A. Jones



O. J. Breidenbaugh

has resigned and is entering business for himself, offering a personal service to agencies and companies for training and management problems.

New executive secretary of the National association is Wesley J. A. Jones, who has been assistant executive secretary. The changes are effective Feb. 1.

Mr. Jones attended Carleton College. After graduation he served in the navy for 34 months, rising to the rank of lieutenant. He attended the A. & H. sales course at Purdue University and completed a course at the graduate school of business at Stanford university. He joined the National association last July.

#### Mr. Breidenbaugh's Career

Mr. Breidenbaugh is a 1932 graduate of Indiana University, and he received an M.S. from Butler University in 1939. For seven years he was director of research and psychologist in the Indiana Institute for Delinquent Boys. He served on the faculty at Butler University for two years. During the war he had a managerial position in a manufacturing plant.

At the end of the war he joined the late Mansur B. Oakes as assistant in the Purdue A. & H. course. Upon Mr. Oakes' death, he took charge of the course until joining the agents association.

Under Mr. Breidenbaugh's leadership, membership in the association has more than doubled. He has traveled extensively on behalf of the organization and his inspirational talks have been a big factor in the membership increase.

Mr. Breidenbaugh has been instructor of the A. & H. courses at the Universities of Utah and California as well as Purdue. In this capacity he has set the pattern for much of the training of sales personnel in the industry today.

surveys made for all classes and sizes of risks were analyzed. It was found that these surveys produced \$4,509,132 in new premiums or an average of \$602 for each commercial survey and \$160 for each personal survey. These figures are confined to new business placed with Aetna.

Mr. Larson said the survey method is a tested way of account selling. By selling an entire account rather than individual policies the agent is in a position

(CONTINUED ON PAGE 29)

## Donald Chilcote Wins Acquittal

ST. LOUIS—Circuit Judge Williams Tuesday directed a jury to acquit Donald E. Chilcote, president of the Chilcote & Co. local agency of a charge of embezzling \$3,000 from the defunct Mutual Commerce Casualty of Kansas City of which he had been a vice-president and director. In sustaining a defense demurrer to the state's evidence in chief and ordering the jury to discharge Chilcote Judge Williams upheld the contention of the defense that the state had failed to produce "any iota of evidence that Chilcote had ever embezzled a penny, either as an individual or as general agent for Mutual Commerce Casualty."

Chilcote said he plans to reenter the insurance business which had been his work for the past 30 years. "I was the

insurance commissioner's goat," he declared. "He should not have permitted Mutual Commerce Casualty to operate." It was represented Chilcote tried to save the company by putting \$60,000 of his own money into it. His agency was placed in bankruptcy following Superintendent Jackson's charges against him in connection with final official collapse of Mutual Commerce in September, 1947 after it had been permitted to operate many months without a state license.

### Fla. Mid-Year at Tampa

Florida Assn. of A. & H. Underwriters will hold its midwinter meeting at Tampa, Feb. 18-19. Eugene F. Gregory, Business Men's Assurance, Denver, president, and Wesley J. A. Jones, executive secretary of the National association, will be in attendance and Mr. Gregory will be the principal speaker.

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### Surety Is Held on Bond in Which Notice Is Waived

In U. S. ex rel Robberson Steel Co. vs. Stebbins Construction Co., Standard Accident, and others, the western Oklahoma federal court held the surety liable because the bond provided for the waiving of notice of modifications to the contract between Stebbins and the government. The action was to recover balance due on a contract to deliver steel for use by Stebbins in the construction of the Ozark Canal Irrigation Project in southwestern Oklahoma.

Stebbins posted Miller act bonds with Standard Accident as the surety. The original contract was with the government, which was to supply all the steel required on the project. Unable to do so, the government issued a change order to Stebbins, and Stebbins was to supply all the steel, for an additional compensation. Stebbins made a contract with Robberson, on which this action was based. It was conceded that Robberson had the right to recover the agreed price of the steel, but the Stebbins company counterclaimed for damages caused by delay in delivery and for damages occasioned by the wrongful termination of the contract, as a result of which Stebbins was forced to purchase steel elsewhere at an increased price.

The court said that when the contractor's surety authorizes changes without notice and the surety has expressly waived such notice, subsequent change or modification in the contract will not operate to discharge the surety.

### Truman SS Program Cost Seen as 5% of Payroll

WASHINGTON — Non-government tax specialists figure that the added costs of President Truman's social security program, including health insurance, would be 5% of payroll on the first \$4,800 of wages or salary annually. This does not include a possible increase in the unemployment compensation tax rates.

From the standpoint of the employer, these experts say, the President's proposals and resulting tax increases may be translated into dollars as from \$30 per year to \$240 per year for every employee earning \$4,800 or more.

The administration program calls for increased coverage and benefits under old age and survivors insurance, increased benefits and coverage under unemployment compensation, national health insurance, temporary and permanent disability coverage. Costs of these proposals have been analyzed by non-government experts on a minimum basis somewhat as follows:

OASI tax increase from 1% to 1 1/2%; health and medical care, .25% graduated to 2%; temporary disability .5%; permanent disability 1%. Total tax on employer and employee, each, 3 1/2%, graduated to 5%.

### Philadelphia Elects

Casualty Underwriters Ass'n. of Philadelphia has elected Donald H. Denton, manager of U. S. Casualty, president; R. L. Walker, U.S.F.&G., and E. K. Lukert, Zurich, vice-presidents, and W. G. Keating, American Surety, secretary.

### Jail Ariz. Carrier's Agent

William C. Cooley was found guilty in criminal court at Columbus, O., of selling insurance without license for Bankers National of Phoenix, Ariz., an unlicensed company. He was sentenced to 90 days in the workhouse and fined \$100 and costs on each charge.

### Ohio Mutuals to Meet

Ohio Assn. of Mutual Insurance Companies will hold its annual meeting at Columbus Feb. 15-16.

## Skutt Wins "Oscar"



V. J. Skutt, vice-president of Mutual Benefit H. & A. and president of H. & A. Underwriters Conference, right, receiving a red feathered kid "Oscar" for his services on behalf of the Omaha Community Chest campaign in 1948. James L. Paxton, Jr., is making the award. Under Mr. Skutt's leadership, the Community Chest raised its highest peacetime fund in history.

## May Try Insuring Driver in N. H.

Legislation under which the driver rather than the motor vehicle would be insured is, it is understood, being readied for introduction in the New Hampshire legislature. It is recalled that New Hampshire started the modern, strict type of automobile financial responsibility legislation.

It is estimated that in New Hampshire there are three drivers' licenses to every car registered in the state, and that the rate per driver would possibly work out to around 40% of the present car rate. The premium taken in under plan of this kind would have to be enough to offset the added company and agency cost for taking care of the increase in number of policies.

### Hitched to Driver License

Apparently what is now projected is a requirement that to secure a driver's license in the state the driver would have to present evidence of insurance, a receipted bill, for example. The plan would undoubtedly take into consideration the need for getting more premium from the younger and older drivers and for those guilty of law violations.

One problem would be drivers of commercial vehicles. Here, possibly, each driver might be required to have policy, and then the employer-owner could purchase an excess policy.

The idea of insuring the driver rather than the car has been explored from time to time, but has never been tried. Most of this discussion has come from the company side and is based generally on the premise that it is a more realistic method of insuring than to write the coverage against the automobile.

### Am. Farmers Agents Fined

LANSING, MICH.—The Michigan department has obtained two arrests of persons writing policies for the unlicensed American Farmers of Phoenix. Both men, agents for other carriers, pleaded guilty and paid fines.

John J. Wysack, Charlotte, paid \$15.65 fine and costs and made \$7 restitution of premiums collected. Darlyle M. Watters, director of the agency division, said Wysack also had sold six or seven other similar policies. He was ordered to repay premiums collected in all of these cases. Harold F. Gorton of East Lansing was fined \$10 and paid \$3.35 costs.

Mr. Watters said the Phoenix company solicits agents in advertisements and supplies them with official-looking identification cards as "membership counselors."

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## F. & C. Publishes 3-D Sales, Rate Manual for Agents

Fidelity & Casualty has sent to field men and agents a new 3-D sales and rate manual.

The manual can amplify production possibilities of the comprehensive dishonesty, disappearance and destruction policy because it will no longer be necessary to refer to the burglary and bond manuals to find answers to 3-D problems.

A special 3-D survey form and work sheet has also been designed to assist the agent in recording existing policy and exposure information so that proper coverage may be recommended.

## No Protest Entered

Thomas J. Breslin, president of Insurance Agents & Brokers Assn. of Philadelphia & Suburbs, states that his organization has in no way protested the rate deviation filing of North America. He has written to THE NATIONAL UNDERWRITER to this effect, referring to a passage in the Jan. 6 edition: "Agents whose commissions would be reduced by the full amount of the premium cuts in the areas affected immediately protested the move." Mr. Breslin went on to state "as the territory embraced in the deviation filing of the Ins. Co. of North America includes all of the territory covered by our association, we wish to point out to you that we have not protested the move."

"We feel that you have done us an injustice by publicly placing us in a position of opposing the lowering of insurance costs to policyholders."

A dividend of 25 cents per share has been declared on the outstanding stock of **Northeastern** of Hartford, payable Feb. 15 to stockholders of record Jan. 31.



*it's all there  
in a nutshell*

*Speed Up the Acceptance of Your Bond Risks by Keeping Anchor's "Field Counsellor" Cabinet at Your Elbow.*

*A simplified system for the preparation of bond submissions—organizes the entire business for the Agent.*

*Application supply folders with indexed, manual-colored tabs carrying complete instructions for submission of risks; in addition, copyrighted factual information of an educational nature, is condensed form.*

*Anchoring Assures Smooth Selling.  
Short Form Applications  
Simplified Rate Manual*



**ANCHOR CASUALTY CO.**  
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## Two Join Tex. Department

Kenneth V. Hawkinson, formerly with Isaacson Iron Works, Rockford, Ill., has joined the casualty division of the Texas department as statistician.

Connie Swenson, who served in the army three years and since then a student in the business administration school of University of Texas, is now policy auditor of the casualty division.

## Slate Governing Group

C. S. Kremer, Hartford Fire; A. L. Ross, Crum & Forster; A. C. Wallace, Agricultural; Gilbert Kingan, London & Lancashire, and E. D. Patton, Northern Assurance, have been nominated as the governing committee of New York Fire Insurance Rating Organization.

## Grand Nest Men Guests

E. W. Trenbath of Seattle, most loyal gander, and J. Ray Hull of Indianapolis, grand supervisor, will be the guests of honor at a luncheon meeting of St. Louis Blue Goose Jan. 31.

## Insurance Bills in Mont.

Among bills before the Montana legislature of interest to insurance is an identical house and senate measure liberalizing the workmen's compensation law. They would give injured workers a flat \$2.50 weekly increase and increase death benefits from 400 to 500 weeks. Waiting period for a single man would be reduced from two weeks to one. Dismemberment benefits would be increased 25%.

Another bill would provide for an automobile safety-responsibility act patterned after the model bills of American Automobile Assn. and National Conference on Street & Highway Safety. Montana now has the old type financial responsibility law which became effective in 1937. A companion bill would make drunken driving a felony.

A senate measure will provide for surplus line insurance and agents. This apparently originated from difficulties of obtaining insurance on trucking operations in the state.

It is expected that a measure will be introduced directing the Montana commissioner to recodify the insurance laws, the new code to be submitted at the 1951 session.

## Truman Bible Insured

The Truman inaugural Bible on which the President took the oath of office is insured in Hartford Accident under a valuable papers policy through the Sillington & Co. agency of Independence, Mo. Independence Chamber of Commerce purchased this Bible which is in two volumes for \$5,000 for this occasion. After the inauguration the volumes will be returned to the Jackson County (Mo.) library. They are exact replicas of the original Gutenberg Bibles. One of the originals, now in Library of Congress, was purchased in 1930 for \$350,000. The Hartford policy insures Jackson county library board and Independence Chamber of Commerce.

## Would Eliminate Limit

A bill to eliminate the \$10,000 limit on recovery for wrongful death has been introduced in the lower house of the Indiana legislature.

## Push Wash. Responsibility Bill

The new broad form financial responsibility law, as prepared by Washington Assn. of Insurance Agents, has been introduced in the 1949 legislature.

The proposed law, which would go into effect Feb. 1, 1950, is in addition to the existing limited act.

W. Howard Stewart, president of Pennsylvania Assn. of Insurance Agents is addressing a luncheon meeting of Insurance Club of Pittsburgh Jan. 31 on "What of the Morrow." James R. Wilson of Travelers will preside. A reception for new members will be held

in the club lounges in Hotel Sheraton Feb. 7. C. H. Kahrs of London Assurance is general chairman of the membership committee which is conducting an aggressive campaign. A large number turned out for the open house at which the new television equipment was viewed.

## Many Wind Losses in Mich.

LANSING—Michigan adjustment offices are still swamped with claims arising out of the windstorm which swept the southern-central part of the state the night of Jan. 18.

It is estimated that there may be 30,000 losses from Michigan and the Toledo area, averaging perhaps \$25.

## W. J. Ward Is Honored

W. J. Ward, who retired Dec. 31 as manager of the New York Fire Insurance Rating Organization, was honored this week with a luncheon by 40 associates and friends, including the governing committee members.

H. W. Miller of Commercial Union acted as toastmaster, and W. R. Crane, retired Crum & Forster executive, presented Mr. Ward with a gift of fishing equipment.

## McCluskey Vice-President

At the annual meeting of Wagner & Glidden and Toplis & Harding at Chicago, Daniel J. McCluskey was elected vice-president of both corporations. Directors and other officers were re-elected.

Mr. McCluskey was with the Chicago office for many years and now is manager of the Boston office.

## Moser Asks United Front

Henry Moser, counsel for Allstate, told members of the Casualty Adjusters Assn. of Chicago that after a period of fine industry-wide cooperation following the S.E.U.A. decision, the industry has abandoned solidarity and left a number of questions unsolved, including the vast area of fair trade practices.

**M. Grant Blakeslee**, president of C. W. Blakeslee & Sons, has been elected a director of Security of New Haven. He is secretary of the Dwight Building Co., and secretary-treasurer of Seymour Water Co.

At its January dinner meet, Indiana Assn. of Insurance Women heard John D. Phelan, vice-president of American States speak on "History of Underwriting."

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## DO YOU BELIEVE That Pigs Can't Swim?

*Even experts have always maintained that pigs couldn't swim, but recent tests have proven that this opinion is wrong. Pigs can swim.*

## ....ANOTHER TRUTH!....

.... which every Hawkeye-Security agent knows is that these companies not only provide full Casualty and Fire Coverage but they lend him every kind of service that will build sales.

Hawkeye-Security service to agents is complete and consistent. There is no red tape to hamper agents . . . claims are paid promptly and efficiently . . . every possible sales help is provided including dependable Field Representative service.

These are just a few of the reasons why "the trend is to Hawkeye-Security."

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## CHANGES

### Am. Auto Advances Cook and Dunn

Ferd M. Cook, superintendent of automobile underwriting, and Matthew S. Dunn, superintendent of technical training, have been elected assistant vice-presidents of American Automobile. Mr. Cook assumes executive direction of automobile underwriting and Harry N. Meyer, formerly assistant superintendent, becomes superintendent of the department.

Mr. Dunn becomes executive director of the enlarged personnel department activities. Harry Tuncil, former accounting superintendent, is named superintendent of employee relations and A. J. Prebil, who has been underwriting manager at New Orleans, becomes superintendent of technical training in this department.

Mr. Cook joined American Auto as special agent at Kansas City in 1940, previously for 10 years having been with Central Surety. The next year he was transferred to the head office as senior underwriter. In 1942 he became assistant superintendent of automobile underwriting and after serving three years in the navy as lieutenant, he became superintendent in 1946. He is a graduate of Kansas City school of law.

Mr. Dunn was with Fidelity & Casualty for a number of years and in 1941 went with American Auto as compensation and liability underwriter at Pittsburgh. He served in the navy three years and in 1946 became senior underwriter. Last May he was named to head the newly formed technical training department and was largely responsible for setting up the educational program.

Mr. Meyer started at the head office in 1921, and has been assistant superintendent since 1946.

Mr. Tuncil started with American Auto in 1921. He served in the army for three years and in 1946 became superintendent of accounting. Mr. Prebil joined the organization in 1923 and last year was named underwriting manager at New Orleans.

### Pool Ohio Claim Manager

Glens Falls Indemnity has appointed John R. Poole claims manager for Ohio.

He has been in claims work for many years, the last 13 with that company, recently as assistant claims manager at Philadelphia. He will be assisted by Clyde Knipfer.

### Bush Joins Mass. Bonding in N. Y. Claim Department

Millard N. Bush has joined Massachusetts Bonding as superintendent of the liability division of the New York claims department.

Mr. Bush has had home office and branch office claims experience, having been until 1943 with U. S. F. & G. as supervisor of claims at Newark. Subsequently he joined Jamestown Mutual as attorney at the home office. Since 1947 he has been assistant claims manager of the metropolitan office of Bankers Indemnity. He is a graduate of New York University and received his law degree from the University of Newark.

### Brown Manager at New York Office for National Surety

National Surety has appointed Edward M. Brown as manager of the New York city office at 110 John street. He has been acting manager since the death of Joseph Donohue.

Mr. Brown entered the business with Century Indemnity in 1931 as a claims adjuster. He was subsequently promoted to claim supervisor in New York. After eight years of claims work, he was named assistant superintendent of the metropolitan bond department.

Mr. Brown joined National Surety in 1945 as special agency representative in the eastern territory.

### Wells Joins U.S.F.&G.

Earl C. Wells, formerly with Indemnity of North America at Los Angeles, has joined U. S. F. & G. there as a field supervisor.

### Lloyds Had "Yale" Plane

The chartered plane that crashed in attempting to take off from the airport at Seattle, filled with Yale students returning to college after the holidays, it is now unofficially reported, was insured in London Lloyds through D. K. McDonald & Co. of Seattle. This, it is presumed, will be a very costly adjustment. A number of the young men were killed and others injured.

## ACCIDENT

### A. & H. Bureau to Meet at Chicago

Bureau of A. & H. Underwriters has scheduled its 1949 annual meeting for Oct. 10-12 at the Hotel Moraine-on-the-Lake, Highland Park, Ill. This is the first time the bureau will have had its meeting in the middle west. The decision was made to accommodate member companies in the western territory.

Neil J. Brown, assistant secretary of Hartford Accident, is chairman of the convention committee.

### Los Angeles Managers Club Names Rose as President

LOS ANGELES—A. & H. Managers Club of Los Angeles has elected Herbert Rose, Unity Mutual Life & Accident, as president. Vice-president is Alfred D. Foster, Hartford Accident; secretary-treasurer, Harvey C. French, Glens Falls Indemnity. Milton Rose, Massachusetts Protective, is a new director.

W. E. Lebby, Massachusetts Indemnity, presented the outline for a Harold Gordon Fund, and asked approval of the plan by the club, so that it might be presented at a meeting at Chicago later. It provides for accident and health producers throughout the country writing short articles on their methods of work, which would be collected and bound into a volume to be sold to people in the business, the funds so obtained to be used to assist men seeking to enter the business in their studies along insurance lines. Approval was given to the plan.

Walter E. Mast, Continental Casualty, past president of the club installed the new officers.

### See A. & H. Premium Income in 1948 Above \$940 Million

Premium income for accident and health insurance will be more than \$940 million for 1948, showing an increase of 14½% over the 1947 total premium volume of \$825 million, according to a survey of its member companies just completed by H. & A. Underwriters Conference.

This total accident and health premium income represents all classes of accident and health coverage including group and individual policies. It does not include Blue Cross or medical service plan premiums.

Loss ratios have shown a slight increase.

### New Jersey Women Elect

At the annual meeting at Newark of the women's division of New Jersey A. & H. Assn., Clara W. Thompson, who operates her own agency as the C. W. Thompson Agency in both Elizabeth, N. J., and Newark, was elected president and Mary J. Kishner of Newark, vice-president.

A gavel was presented to the new president by Miss Josephine Meskill, Loyalty group, Newark, retiring president, who is also chairman of the women's division of the National association.

Richard Caldwell, United States Life, president of the New Jersey association, spoke on "What the women can do for the A. & H. business."

### List Kan. Congress Speakers

The program for the sales congress of Kansas Assn. of A. & H. Underwriters Feb. 14 at Wichita is rapidly shaping up, according to Bert A. Hedges, Business Men's Assurance, who has taken the job of general chairman. Speakers scheduled include Don Compston, Combined, Chicago, chairman of the speakers bureau of the National association; Claude Cochran, General

American Life, Kansas City; Glen Packwood, Massachusetts Bonding, Kansas City, and Ralph Crissman, B. M. A., Wichita.

### Alexander Calls Halt to Telephone Canvass in Ia.

DES MOINES—Commissioner Alexander has sent out notices to companies operating in Iowa requesting discontinuance by April 1 of the so-called "cold canvass" by indiscriminate telephoning. The practice is being conducted by some agents or companies selling hospital insurance.

Mr. Alexander pointed out that this method of developing sales is in the nature of a nuisance and "reflects adversely on the insurance industry as a whole."

### Forms PR Division

Pilgrim Health & Life of Augusta, Ga., has established a division of public relations in charge of Dr. Herbert W. Baumgardner. He is a graduate of Lincoln University in Pennsylvania, and has a master's degree from Ohio State. He studied at Harvard law school and has an honorary doctorate from Allen University in South Carolina, where he has been teaching psychology.

### New Officers at Cleveland

Cleveland A. & H. Assn. has installed the following officers: John D. Byrne, Union Mutual Life, president; John L. Murray, Monarch Life, vice-president; B. L. Busfield, Retail Credit Co., secretary.

### Pyramid Opens A. & H. Dept.

Pyramid Life of Little Rock has opened an A. & H. department to handle disability income, group and individual hospitalization. Department manager is Earl C. Hudgens, formerly Arkansas manager for Reserve Loan Life.

### A. & H. Course in Utah

A two-week course in A. & H. insurance commenced at University of Utah, Jan. 17, under the supervision of F. Edward Walker, Mutual Benefit H. & A. regional director of National Assn. of A. & H. Underwriters.

### No Longer Assessment Company

Policyholders of Peoples Accident of Lincoln, Neb., have voted to change from a mutual assessment to an old line mutual legal reserve company.

As of Dec. 31, 1948, the company had assets of \$363,079, up 18% from 1947. The company started 10 years ago with assets of \$300.

J. P. Van Vliet is president; J. E. Van Vliet, vice-president, and C. P. Van Vliet, secretary-treasurer.

Sterling of Chicago has declared the semi-annual dividend of 10 cents per share, payable Feb. 7, to stock of record Jan. 31.

## SURETY

### Several Large Surety Bonds Written by Aetna Casualty

A number of large surety bonds have been arranged in the last few weeks by Aetna Casualty.

For the Silas Mason Co., of Shreveport, La., Aetna arranged a government performance bond in the amount of \$2½ million and a payment bond in a similar amount. The bonds are in connection with an \$8½ million contract for the driving and lining with concrete of tunnels at the Fort Randall dam on the Missouri river in South Dakota. The business originated with the Moore & Merklein agency of Shreveport.

Two other performance and payment bonds in the amount of \$1,679,000 each have been arranged in connection with the Fort Randall dam. Written for the



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Western City, Ia., in excess of \$4 million in excavation dam.

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Western Contracting Co. of Sioux City, Ia., they cover a contract in excess of \$4 million for stage two of the excavation work at the Fort Randall dam.

For Peter Kiewit Sons Co. of Omaha, Aetna has originated a performance bond in the amount of \$2,249,000 and a payment bond in the amount of \$2½ million in connection with a \$7½ million contract for earthwork, concrete lining, and structures for the Friant-Kern canal, central valley project, Cal.

Aetna has also arranged a performance bond of \$2,285,000 and a payment bond for \$2½ million for the Utah Construction Co. of San Francisco and Winston Brothers Co. of Los Angeles. The contract is in the amount of \$7,615,000 and covers the construction and completion of the Soap lake siphon in connection with the Columbia basin project in Washington.

The company originated a co-surety performance bond of \$2 million and a co-surety payment bond in the amount of \$3½ million for Utah Construction Co. The contract is for \$10,300,000 and covers construction of Bonny dam on the south fork of the Republican river in eastern Colorado.

#### N. Y. Surety Managers Elect 10 to Executive Committee

Ten members of the executive committee were elected and four committee chairmen appointed by Surety Managers Assn. of the City of New York at its Jan. 24 meeting. The official lineup was announced by Thomas I. Hall, Employers Liability, president of the association.

The executive committee now comprises A. L. Carr, National Surety; G. W. Crist, Jr., Fidelity & Deposit; E. J. Donegan, Loyalty group; J. B. Duke, New Amsterdam Casualty; W. A. Edgar, U. S. F. & G.; John P. Madigan, Maryland Casualty; Rankin Martin, Standard Accident; William A. Sessions, Massachusetts Bonding; John M. Smith, Hartford Accident, and R. W. Stewart, Fireman's Fund Indemnity.

Chairman of the four standing committees are: Court and probate, Richard Purcell, National Surety; legislative, Rankin Martin, Standard Accident; public relations, John P. Madigan, Maryland Casualty; publicity, David Porter, Surety Assn. of America.

An open forum discussion of business problems featured the meeting.

#### Old Bill Pops Up Again

WASHINGTON — That perennial bill to provide for payment by the U. S. of premiums on bonds of government officers or employees has popped up again this Congress—this time being offered by Senator Downey, California.

## COMPENSATION

#### Pa. Bills Would Set Up Compulsory "Comp" System

HARRISBURG—A series of bills had been introduced in the Pennsylvania legislature to set up a compulsory workers' compensation system in the state. They were introduced in the house by Rep. Lovett, a Democrat, and a member of the minority party.

At the same time, G. Mason Owlett, president of Pennsylvania Manufacturers Assn., has agreed with Gov. Duff that "a reasonable increase" is due in workers' compensation benefits. Gov. Duff in his message to the opening session of the legislature also suggested increased occupational disease benefits.

Mr. Owlett said compensation benefits could be increased because the cost of living has gone up, and added that there probably should be an increase in the limit for medical and hospital benefits to follow the higher costs in those fields.

The compulsory bills would set up a

state workmen's insurance fund as a sole agency for compensation insurance. Companion measures would eliminate private industry and provide allocating \$300,000 to establish the fund. They carry maximum fine of \$300 for employers refusing to come under the compulsory system. The measures have been referred to the house committee on workers' compensation.

#### Wants Montana Change

Governor Bonner of Montana recommends that the state treasurer be appointed as the treasurer of state industrial accident board, rather than the state auditor. He said it is hazardous to have a board both expend its funds and make its own investments. The securities of the board should be in the possession of the state treasurer, he declared. He said that the state bank examiners are now auditing the fund.

#### Football Official Not Covered

Officials at football games are not covered by the workmen's compensation act but are independent contractors. Michigan compensation commission has held in the case of Robert Noonan, Marinette, Wis., who suffered a leg fracture while working the Menominee-Madison, Wis., high school game last fall.

He filed a compensation claim, asking medical expenses and compensation for subsequent games during the season he was unable to work.

John W. Keefe of Cincinnati has been appointed secretary of Ohio industrial commission.

## ASSOCIATIONS

#### Lockwood New President of Chicago Claim Council

Herbert L. Lockwood, American Mutual Liability, was elected president of Chicago Casualty Insurance Claim Managers Council at the annual meeting. He was vice-president last year and chairman of the committee which established the Chicago auto damage appraisers plan, a system of routing auto losses through approved garages.

The new vice-president of the council is Charles Tigh, General Accident. Robert C. Chapman, Assn. of Casualty & Surety Companies, was reelected secretary-treasurer.

#### Buffalo Casualty & Surety Club Plans Insurance Day

Casualty & Surety Club of Buffalo is making plans for "Insurance Day" in Buffalo on March 25. Several national figures in the insurance field will address a meeting at Hotel Statler, with 750 expected to attend.

Willis L. Jackman, Travelers, is chairman of the Insurance Day committee.

#### Wattenberg Is Slated

T. J. Wattenberg, claims manager of Allstate at Kansas City, will address the meeting of Kansas City Claim Assn. Feb. 7 on "The Positive Approach to Settlement Negotiations."

## COMPANIES

#### Hartford Accident's 1948 Premiums Pass \$109 Million

HARTFORD—Total premiums written by Hartford Accident in 1948 were \$109,103,096, the largest volume of written business in the company's history and 20.6% over the 1947 total.

Casualty lines showed an increase of 18.6%, while bonding lines were up 50.9%. Every line of business written by the company showed a gain in 1948.

Accident premiums were \$1,603,186, up 10.67%; health \$135,930, 23.3%; group accident and health, \$380,443, 27.77%; auto liability, \$32,009,645, 20.52%; auto property damage, \$15,013,716, 27.5%; auto collision, \$853,814, 10.10%; liability, \$12,435,921, 9.26%; other property damage and collision, \$2,570,292, 27.23%; workmen's compensation, \$30,359,127, 19.78%; fidelity, \$4,028,110, 93.79%; surety, \$4,319,751, 25.14%; glass, \$1,119,528, 16.96%; burglary, \$4,270,173, .66%.

banking firm of Brown Bros., Harriman & Co., joined American Surety in 1940 in charge of portfolio investments.

**Commercial Travelers Mut. Ass., Utica**  
—Assets, \$7,853,099, decrease, \$153,355; unearned prem., \$1,259,114; loss res., \$1,559,451; surplus, \$4,806,328, decrease, \$146,528. Experience:

Net	Losses
Prem.	Paid
A. & H. ....	\$4,298,682
	\$3,193,037

#### Weeks Heads New Office of Atlantic Mutual at Seattle

Atlantic Mutual and Centennial have opened offices at Seattle under the direction of Gilbert N. Weeks, who has been in the marine business at San Francisco since 1929.

Atlantic Mutual will concentrate in the northwest in the ocean, inland marine and fire fields.

#### A Ready Market

## FIRE AND EXPLOSION LEGAL LIABILITY

One of the newest coverages protects tenants for their Liability for Damage to the Building they Occupy. This Liability is usually not covered by M. & C. or O. L. & T. P. D. because of the Care, Control and Custody exclusion.

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## Home Office Executives in New American Surety Official Posts

Named last week to higher posts with American Surety were Robert B. Hamilton, vice-president, who becomes vice-president and general counsel and F. Warren Hull, manager of contract bonds; George F. Ainslie, Jr., manager of agency and production; Albert H. Russell, manager of probate and miscellaneous bonds, and Franklin A. Seiler, manager of the casualty department, named vice-presidents.



R. B. Hamilton



F. W. Hull



G. F. Ainslie, Jr.



A. H. Russell



F. A. Seiler

## Tells Advantages of Survey Selling

(CONTINUED FROM PAGE 15)

tion to deliver the services which a stock company agent is supposed to deliver. The survey is an offensive as well as defensive weapon; it produces new business and helps hold renewals.

The survey makes the customer realize that his insurance is a problem which can't be solved by buying insurance through the mail or by letting some other agent sell him at a cut price. The survey is a show case in which to display the agent's services.

It raises the plane of insurance and is concrete evidence that the stock company agent is worthy of his hire.

### Cahill Gives Talk

What National Bureau of Casualty Underwriters is, how it functions, why the bureau, and what it does for local agents, were discussed by James M. Cahill, secretary of the bureau.

Now that insurance is interstate commerce all things must be on that level to avoid state procedures that will lead to chaos and a breakdown in the functioning of the insurance business, he said. In this sense, the work of the bureau helps preserve state regulation. It also provides a forum to bring together the companies for research and discussion of progressive developments, rate making, policies, coverages and the like.

The bureau supplies trained statisticians and actuaries specializing in rate making. There would not be enough of these experts to go around if there were separate bureaus maintained by the companies in each state, and the state insurance departments also needed a supply. Thus the bureau's work helps lower costs in rate-making. It also brings about stabilization in rates and rating procedures, develops necessary systems of rating plans.

Under universal rate regulation, the requirements of the states make the bureau more essential than ever to relieve member and subscriber companies

of the rate filing burden. The companies need experts to develop and present the complete filings, something it would be tough for companies to do individually. It is a comparatively easy job for trained men to do it for all companies.

There are several reasons why the bureau is useful to the agent, he said. For one thing a national organization of this kind helps preserve state regulation, which is best for the agent. A separate state by state rating system, such as prevails in the fire business would present real problems for the agent. The bureau gets the views of local agents at state and national level, and these views are reflected in coverages, etc. The agents have the convenience of uniform manuals state to state, and through the bureau's central distribution system it is easy to get sheets for all states the agent is interested in. The agent also has the convenience of uniform policy forms.

The bureau is continuously trying to develop new coverages and policy forms that offer new sales opportunities. He cited the farmers comprehensive and storekeeper policies which were brought out the past year. The bureau is continuously trying to develop competitive rating procedures and plans, on both commercial and personal lines, which are of the utmost importance to agents.

### Mich. Interstate Filings

LANSING—Commissioner Forbes has taken under advisement two filings to introduce interstate rating factors into workmen's compensation. A hearing was conducted with four representatives of Michigan compensation rating bureau speaking for the companies. One plan would apply the interstate rating principle to insured having risks in other states, if these states had approved interstate writing. The other filing would place retrospective plans A, B and C on an interstate basis and would include plan D, not now approved in Michigan.

Company spokesmen were J. C. L. Bowman, Liberty Mutual; H. J. Ginsburgh, American Mutual Liability; S. E. Smith, Travelers, and L. R. Christman, Standard Accident.

## OPPORTUNITIES FOR YOUNG MEN

Large eastern Casualty and Surety Company with many branch offices throughout the United States, is seeking services of young men with qualifications to fill positions of *Special Agents*, also *Fidelity and Surety Underwriters*. Splendid opportunity.

Young men now in the insurance business having potential qualifications for this type of work, even though at present without experience in such duties, will be considered.

In reply, please give age, marital status, salary requirements, as well as a general outline of experience and other information helpful to determine qualifications.

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Industries of New York, and Self-Insured Assn. have been discussing the fixing of such rates as in the past, without necessity for legislation. The hospitalization is that for employees paid workmen's compensation benefits.

### New Va. Certificate and Endorsement Form OK'd

A new type of form approved for filing evidence of automobile liability coverage with the transportation division of the Virginia state corporation commission combines the functions of both a certificate of insurance and an endorsement to the policy.

Adoption of the form culminates more than two years' work by a committee of Casualty & Surety Underwriters' Assn. of Virginia, and representatives of the corporation commission. Use of the new certificate is expected to save filing space in the transportation division, which in the past held the policy contracts themselves, and to facilitate policy preparation.

The underwriters association worked first for the passage of a law permitting the commission to accept certificates instead of policies, and when this was adopted in 1948 worked with the commission in devising a proper form of certificate.

Original of the new form is filed with the commission as a certificate of insurance for freight haulers and passenger carrying vehicles where required by law, and the first carbon is an endorsement embracing statutory provisions for attachment to the policy.

The form contains a space for listing the equipment insured at the inception. Although so arranged that it may be made continuous as a certificate, most companies are inserting a termination date as of the policy expiration.

As a certificate the form may be signed by a company employee in Virginia or by an agent; as an endorsement it must be signed by a licensed agent.

Chairman of the committee was D. D. Lahy of Great American Indemnity.

### Hartford S. B. Sets Record

Hartford Steam Boiler reports earned premiums for 1948 of \$9,861,411, largest for any year in its history. Premiums written were \$11,293,868, second only to the 1947 all-time record. The \$1,432,457 by which written premiums exceeded those earned increased the unearned premium reserve to \$16,202,101. Incurred losses of \$2,902,501 were \$369,847 less than in 1947. Loss from underwriting was \$880,627, off \$737,670 from 1947. Assets at the year-end were \$27,243,992. Surplus to policyholders is \$8,551,026.

### Thompson to Carolinas

George W. Thompson, Jr., has joined Appleton & Cox as state agent for North and South Carolina. He will be located at Charlotte.

Mr. Thompson has had wide experience in the marine insurance field, having previously been with the marine departments of National Surety and American. Until recently he was marine manager for Delancy, Kipp & Sturhahn in New York City.

### Richeson Mich. Chief

Hugh E. Richeson has been appointed superintendent of claims for Michigan for U.S.F.&G. with headquarters at Detroit. He served in the navy during the war, attaining the rank of lieutenant commander. He joined the U.S.F.&G. claim department at St. Louis in 1929 and subsequently has served at Cincinnati, Philadelphia and since 1941 as general superintendent of claims at New York.

### Hearing on Hospital Rates

A hearing has been called by the New York Workmen's Compensation Board Feb. 1, 1:30 p.m., in the state office building at Albany, on the question of whether the board should seek legislation granting it the power to fix hospital rates. The Hospital Conference committee, the New York Compensation Insurance Rating Board, Associated In-

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John Quincy Adams  
birthplace  
Built in 1716



John Adams'  
birthplace  
Built about 1681

## The Penn's Hill Cottages

WHEN John Adams was courting Abigail Smith, the young lady's father at first did not look with favor on the match and preached a sermon from the text, "Mary hath chosen the better part," in reference to his other daughter's sounder prospects. Nevertheless, Abigail's husband became a distinguished statesman and our second President, while Mary's acquired only reflected fame.

John Adams was born in the family cottage at the foot of Penn's Hill in what was then Braintree, Massachusetts. After his marriage in 1764 he moved into the neighboring house which he had inherited from his father and opened his law office in the old kitchen. In this cottage his son, John Quincy, was born.

Though for a time the Adams family lived

### Where Two Presidents Were Born

Abigail and John Quincy were subjected to the confusion and terror of wartime. Militia men and refugees were often quartered in or near the two cottages, wounds were washed and dressed and the family's pewter spoons were cast into bullets.

From a rock on Penn's Hill little John Quincy and his mother watched the smoke of burning Charlestown and listened to the distant cannon during the battle of Bunker Hill. So vivid was his memory of that occasion that on its eleventh anniversary he could not take part in a celebration, remarking ". . . the ground which had been the scene of such an awful Day should not be made a scene of Revels and Feasting."

When John Adams went to France to represent the Continental Congress in 1778, he took John Quincy with him. Abigail could not bear to watch them sail, but her husband wrote that "Johnny behaved like a man." A year and a half later the boy once more accompanied his father to Europe and after peace

was declared Abigail joined them. She and her husband never again lived in their Braintree home though John Quincy spent two summers there after his marriage. Like his father, he devoted himself to the service of his country and was finally rewarded with the Presidency.

It was from the Penn's Hill cottage that Abigail Adams wrote her famous letters and in one of these there is evidence that in spite of his enforced absence, her husband held his home dear, for she said, "This little cottage has more heartfelt satisfaction for you than the most brilliant court can afford."

The birthplaces of John Adams and his son are now owned by members of the Adams family and are used as the headquarters, respectively, of the Quincy Chapter of the Daughters of the Revolution and the Quincy Historical Society.

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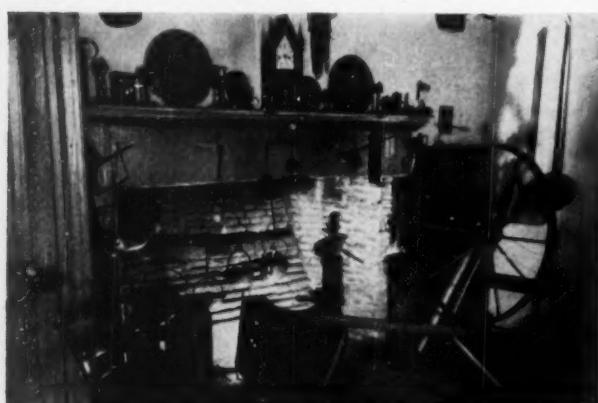
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Fireplace with oven in kitchen of John's and Abigail's cottage

in Boston, the disturbances prior to the Revolution compelled them to return to their Braintree home. Here too, though official duties kept the elder John away from home,



*The lovely Abigail—wife of the second President, mother of sixth*

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